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Questions relating to information

Report of the Secretary-General

Summary

The present report, prepared pursuant to General Assembly resolution 72/90 B, contains highlights of recent activities of the Department of Public Information, focusing on the areas reflected in the resolution and in the deliberations of the Committee on Information at its fortieth session. It also contains an update on the reform process that is under way in the Department, noting the expressions of support in the Committee for the reforms, including for the renaming of the Department as the "Department of Global Communications", and taking into account the priorities established by the Committee.

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I. Introduction

1. In paragraph 104 of its resolution 72/90 B, the General Assembly requested the Secretary-General to report to the Committee on Information at its fortieth session and to the Assembly at its seventy-third session on the activities of the Department of Public Information and on the implementation of all recommendations and requests contained in that resolution. Accordingly, the Department submitted three reports for consideration by the Committee at its fortieth session, held from 1 to 11 May 2018 (A/AC.198/2018/2, A/AC.198/2018/3 and A/AC.198/2018/4). The deliberations of the Committee with regard to those reports are reflected in the report of the Committee on its fortieth session (A/73/21).

2. The present report contains updates to the information provided to the Committee on Information at its fortieth session, including a summary of activities undertaken by the Department from March to September 2018 through its three subprogrammes: strategic communications services, news services and outreach and knowledge services.

3. The Committee on Information, at its fortieth session, made reference to the reforms to the Department of Public Information including the Under-Secretary-General for Global Communications undertaking to better communicate the priorities established by Member States, with a view to the Department adapting its capacity and work to the current trends of global communication. The Committee expressed its support for such reform and for the renaming of the Department as the "Department of Global Communications", which would align with the title of the Under-Secretary-General.

4. The need for reform is clear: at a time of rapid change in the communications landscape and the emergence of big data, new technologies and competing sources for news and information, the Department of Public Information must change to create rapid, strategic and integrated communications so as to ensure that the United Nations story reaches and engages people in the languages they understand and via digital and traditional media platforms.

5. The reform objectives reflect the Department's move to become a more agile and modern in its operation, to increase engagement, both internally and with external stakeholders, and to strive for excellence in its work. It requires making improvements across the Department that focus on opportunities for increasing impact in all its communications, while increasingly focusing and engaging young people in the achievement of the 2030 Agenda for Sustainable Development.

6. In order to realise its reform objectives, the Department has identified, through a staff-led process with external assistance and building on independent evaluations and staff surveys, a set of initiatives for change in the areas of leadership and strategy, resource management and operational efficiency. Throughout the reform process, the Department has also had discussions with, and received valuable inputs from, Member States. When fully implemented, between now and the end of 2019, the initiatives are intended to achieve the aim of more effective communications that further amplify United Nations messages.

II. Strategic communications services, including United Nations information centres

A. Peace and security

7. In 2018, the International Day of United Nations Peacekeepers (29 May) was commemorated under the theme "United Nations peacekeeping: 70 years of service and sacrifice". To mark the occasion, the Department of Public Information planned and conducted activities at Headquarters and globally and produced multiple related information products. The Department worked closely with the Department of Peacekeeping Operations in implementing a social media campaign and creating a multimedia exhibit in the Visitors' Lobby at Headquarters that featured over 50 photos from the past seven decades, along with a popular virtual reality video on the work of peacekeepers serving in the Democratic Republic of the Congo. The Department of Public Information also produced many press releases for countries that had lost uniformed personnel in 2017.

8. At the request of the Committee on Information, the Department has extended the implementation of the "Service and sacrifice" campaign, which has already targeted dozens of troop- and police-contributing countries from Africa, Asia, Europe and the Americas through its video, audio, photo, text and social media products.

9. United Nations information centres developed strategic partnerships for the campaign. For example, in July, the United Nations information centre in Jakarta partnered with the Indonesian National Defence Forces Peacekeeping Centre to brief an Indonesian maritime task force readying for deployment to United Nations peacekeeping operations. The event helped to highlight the individual sacrifice and commitment of United Nations peacekeepers while also providing an opportunity to show appreciation to troop- and police-contributing countries. In June, the United Nations information centre in Cairo, jointly with the Egyptian Ministry of Foreign Affairs and the Cairo International Center for Conflict Resolution, Peacekeeping and Peacebuilding, organized a remembrance activity for fallen Egyptian peacekeepers.

10. The Department provided communications support to the Deputy Secretary-General during her visit to Liberia in March 2018 to mark the end of the mandate of the United Nations Mission in Liberia. Her visit resulted in substantial and positive media reporting on the mission's many accomplishments, the benefits it brought to the Liberian population and the important role that troop- and police-contributing countries played.

11. The Department provided communications support to the Office of Counter-Terrorism to raise awareness about the United Nations High-level Conference of Heads of Counter-Terrorism Agencies of Member States, held on 28 and 29 June 2018, the first such event convened by the Secretary-General. A communications plan and a visual identity were developed for the conference, along with a web page in the six official languages of the United Nations and a video. The Department promoted the event on its accounts on social media platforms and through United Nations News.

12. To honour the victims of terrorism, the Department continued to support the Working Group on victims' needs and rights, working with the Office of Counter-Terrorism to plan communications activities for the first observance of the newly established International Day of Remembrance of and Tribute to the Victims of Terrorism, on 21 August 2018. They included a series of videos featuring the voices of survivors of terrorism and offering alternate narratives to those of violent extremists.

13. The Department also continued to proactively promote the United Nations system-wide approach to combating sexual exploitation and abuse, including through extensive multilingual social media outreach, to build understanding and support for the approach among key audiences, and regular public reporting on the status of allegations.

14. The Department provided communications support to the Office for the Coordination of Humanitarian Affairs to amplify the "Not a target" campaign (#notatarget) for World Humanitarian Day on digital platforms and through events organized by the network of United Nations information centres.

B. Human rights

15. The Department developed branding for the seventieth anniversary of the adoption by the General Assembly of the Universal Declaration of Human Rights that was displayed on billboards in 12 countries (Chile, Colombia, Côte d'Ivoire, Dominican Republic, Mexico, Oman, Qatar, Republic of Korea, South Africa, Thailand, United Arab Emirates and United States of America) through a pro bono agreement between the Office of the United Nations High Commissioner for Human Rights and the advertising agency JC Decaux.

16. A Department-led campaign calling for videos of people reading articles of the Declaration continued to attract recordings from around the world, bringing the number of videos posted on the dedicated page on the United Nations website to more than 1,200, in 72 languages, by users from 117 countries. The United Nations information centre in Kathmandu launched a social media campaign to raise awareness of the Declaration, recording, producing and publishing video clips of people reading sections of the document not only in the country's official language, Nepali, but also in the regional languages of Bhojpuri, Maithili, Tamang and Tharu.

17. In collaboration with the Special Adviser to the Secretary-General on the Prevention of Genocide, the Department rolled out a public advocacy campaign for the universal ratification of the Convention on the Prevention and Punishment of the Crime of Genocide, the seventieth anniversary of the adoption of which is also being marked in 2018.

18. Nelson Mandela International Day, on 18 July 2018, marked 100 years since the birth of the human rights icon. An exhibition in the Visitors' Lobby, on display from 9 July to 2 September, organized by the Department in cooperation with the Permanent Mission of South Africa to the United Nations celebrated Mandela's legacy and highlighted United Nations initiatives taken in his honour. Following the meeting of the General Assembly on 18 July, some 100 United Nations staff and delegates spent an afternoon working with disadvantaged young people in community gardens in a volunteer activity organized in collaboration with the Office of the Mayor of the City of New York. Events and activities were also organized by the United Nations information centres in in Antananarivo, Brazzaville, Cairo, Colombo, Dakar, Islamabad, Jakarta, Lagos, Nigeria, Lima, Lomé, Lusaka, Manama, Manila, Mexico City, Moscow, Nairobi, Pretoria, Rio de Janeiro, Brazil, Tehran and Yaoundé.

19. The five-day "Indigenous media zone" organized at Headquarters from 16 to 20 April 2018, during the seventeenth session of the Permanent Forum on Indigenous Issues, which helped to amplify indigenous voices and strengthen outreach efforts to indigenous communities, featured more than 30 panels and interviews with indigenous women, young people and human rights defenders from around the world streamed live on United Nations Web TV and Facebook and through indigenous community media channels.

20. A United Nations memorial ceremony for the International Day of Reflection on the 1994 Genocide against the Tutsi in Rwanda (7 April), organized in collaboration with the Permanent Mission of Rwanda to the United Nations and held in the General Assembly Hall, attracted hundreds of Rwandan community members, students and other representatives of civil society. Events were also organized by United Nations information centres, including those in in Antananarivo, Brazzaville, Dakar, Dar es Salaam, United Republic of Tanzania, Geneva, Lusaka, Nairobi, Pretoria and Yerevan. The Secretary-General's statement calling for action to prevent genocide was covered by media across Africa, Asia and Europe and in Australia.

C. Promotion of the Sustainable Development Goals

21. The Department worked closely with the Department of Economic and Social Affairs to develop communication materials and tools, including a press kit, media outreach, web and social media assets and a "Sustainable Development Goal media zone" to promote the high-level political forum on sustainable development, on 16 and 17 July 2018, especially the impactful and innovative steps that Governments and other advocates are taking to achieve the Goals. The communications products, which focused on progress made on the Goals in general, and in particular the six under review during the forum, also highlighted related contributions made by young people, including the Young Leaders for the Sustainable Development Goals and Young Champions of the Earth.

22. During the reporting period, the Department of Public Information organized and managed two major Sustainable Development Goal media zones, which made it possible for participants, including young people, entrepreneurs and business leaders and social media "influencers", along with government officials and representatives of international organizations and civil society, to share innovative ideas and information on the work being done to achieve the Sustainable Development Goals. The programmes in the media zones streamed live during the high-level political forum on sustainable development, and are planned to do the same during the opening meetings of the General Assembly from 24 to 28 September 2018, whose key themes included youth engagement and gender equality.

23. The Department supported the "Little x little" campaign, the first collaboration of its kind between the advertising industry and Google in support of the Sustainable Development Goals. With a focus on young people, the campaign aims at leveraging the power of YouTube and global influencers to mobilize the young people of "Generation Z" to carry out 2 billion acts of good. Since its launch in March 2018, the campaign's video content on the YouTube channel has received more than 60 million views.

24. In June, on the occasion of the tenth anniversary of the entry into force of the Convention on the Rights of Persons with Disabilities, the Department produced a video featuring the Secretary-General and artist, activist and YouTube influencer Jillian Mercado that focused on women and girls with disabilities. The video received 40,000 views. In parallel, a Department-produced video posted on social media featuring deaf artist, activist and influencer Nyle DiMarco highlighting the rights of persons with disabilities gained 162,000 impressions on Twitter.

25. The Department is engaged in promoting the International Decade for Action, "Water for Sustainable Development", 2018–2028, and the implementation of Sustainable Development Goal 6. In advance of the commencement of the International Decade on 22 March 2018, the Department began promoting the report of the High-level Panel on Water on the global water crisis and water and sanitation solutions through social media and by conducting outreach to the media, efforts that

continued through the high-level political forum on sustainable development and are planned to continue during the seventy-third session of the General Assembly.

26. The Department has continued to work closely with the secretariat of the European Union-United Nations Spotlight Initiative to end violence against women by providing communications, logistic, design, video and web support, launching the "Her story, our story" campaign (#herstoryourstory) in March and organizing the Spotlight Initiative presence at the European Development Days in June.

D. Special information programme on the question of Palestine

27. In Moscow in September, the Department held its 2018 International Media Seminar on Peace in the Middle East. The event brought together 32 diplomats, journalists, media experts and youth representatives from different parts of the world. Participants discussed media-related issues and trends connected to the Israel-Palestine conflict.

28. The Department also provided outreach and communications support to the two-day United Nations Forum on the Question of Palestine held at Headquarters on 17 and 18 May 2018.

E. New Partnership for Africa's Development

29. The Department continued to raise global awareness of and support for the New Partnership for Africa's Development through its magazine *Africa Renewal* and the *Africa Renewal* website, which is maintained in English and French. During the reporting period, the Department produced a special edition on youth and another on the recent agreement between member States of the African Union on an African Continental Free Trade Area. The magazine was among the international media sponsors of the "Africa summit 2018" of the London School of Economics, which brought together young African scholars in April. Between January and June, the Department wrote 59 magazine news features in English and French, which were republished 738 times in 339 media outlets from 39 countries.

30. The Department continued to work closely with the African Union to raise public awareness of the Agenda 2063 and the Sustainable Development Goals. In June, during the launch of the Sahel support plan at the African Union summit in Nouakchott, the Department helped the teams on the ground to edit, design and translate into French communication materials and coordinated media coverage.

31. With regard to gender equality and the empowerment of women, the Department provided communications support to the Office of the Special Adviser to the Secretary-General on Africa in March for a side event on the African Women's Decade held during the sixty-second session of the Commission on the Status of Women and in June for side event on the role of African women in fighting terrorism held on the margins of the United Nations High-level Conference of Heads of Counter-Terrorism Agencies of Member States.

F. United Nations information centres

32. United Nations information centres continued to organize a wide range of advocacy and awareness-raising activities with local partners to promote sustainable development and other issues.

33. In June, the United Nations information centre in Mexico City launched an initiative to promote the Sustainable Development Goals through 24 large murals painted on the walls of Central de Abasto, the largest wholesale market in Latin America, which welcomes some 500,000 visitors per day. The information centre promoted the event across its website and social media accounts; it received significant media coverage in more than 100 local media outlets within the first week of its launch. In cooperation with the United Nations Regional Information Centre for Western Europe, in Brussels, in April, the official radio station of the city of Athens, Athina 98.4, which also broadcasts through a nationwide radio network, began a series of programmes entitled, "Athens has Goals", focused on the Sustainable Development Goals. The inaugural broadcast featured a two-hour programme on the Sustainable Development Goals and how they will be accomplished by 2030.

34. The Department is strengthening the communications capacity of its field offices for more digital, impact-driven communications. It is aligning its work with the reform efforts of the Secretary-General relating to the United Nations development system to ensure improved integration and coordination of United Nations communications. As part of that process, the Department has engaged with all of its field offices to develop synergies with larger United Nations information centres providing real-time support to smaller offices in their region or subregion on both the programme and operational sides.

35. In anticipation of the shift to the global service delivery model, the Department organized a workshop in Beirut in June for the final group of United Nations information centres scheduled to adopt Umoja for improved reporting and resource monitoring.

G. Multilingualism

36. United Nations information centres continued to engage with a wide range of audiences in their local languages for greater reach and impact, publishing information about the work of the United Nations in 84 languages while carrying out activities in five of the six official languages of the United Nations.

37. Demonstrating the effectiveness of working closely with United Nations system partners across duty stations on multilingual projects, the United Nations information centre in Rio de Janeiro developed an interactive multimedia web portal in Portuguese for the United Nations country team in Angola.

H. Youth

38. Young people are vital partners and a key audience for United Nations information centres, given that the information centres promote the priorities and inform about the work of the United Nations through local activities.

39. In June, during the visit to Uzbekistan of the Envoy of the Secretary-General on Youth, the United Nations office in Tashkent organized a social media zone that included a Facebook live event with a view to galvanizing young people into contributing to the 2030 Agenda and informing them about the participation of the Envoy in an international conference on the role of young people in preventing and countering violent extremism and radicalization that lead to terrorism.

40. Together with the Central Bank of Lebanon and students from local universities, the United Nations information centre in Beirut joined the Hult Prize Foundation in organizing the Hult Prize national competition in Lebanon. The series of competitions, running from March through September 2018, is serving as an

incubator for youth-driven innovation and entrepreneurship, as university students competed in presenting proposals for projects to harness clean, renewable energy.

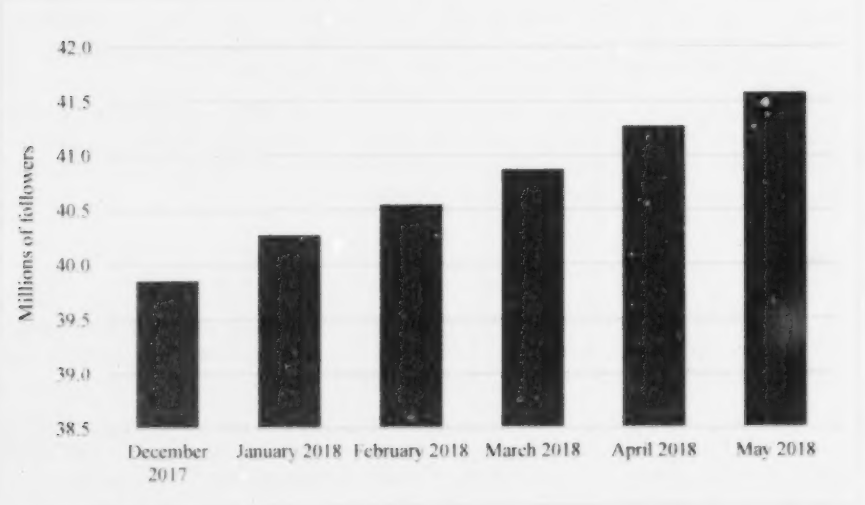
III. News services

A. Social media

41. Responding to industry research documenting a continued growth in social media use in emerging and developed markets, the Department is implementing a multilingual social media strategy geared towards language parity and better serving the needs of diverse audiences. By limiting its use of large files, when appropriate, the Department has been better able to reach audiences with limited or costly connectivity or with limited access to reliable sources of energy.

42. The social media team continues to focus on producing two types of content: timely, engaging material optimized for each language and audience; and material explicitly showing the impact and relevance of the work of the United Nations. As a result, reach and engagement for the flagship accounts have been growing steadily. During the reporting period, the social media accounts collectively gained an average of more than 340,000 additional fans or followers per month, bringing the grand total, including for the accounts on Facebook, Instagram, Twitter, WeChat and Sina Weibo and other related platforms, as at May 2018 to more than 40 million across eight languages, the six official languages of the United Nations and Kiswahili and Portuguese (see figure I).

Figure I
United Nations corporate social media account followers, December 2017 to May 2018

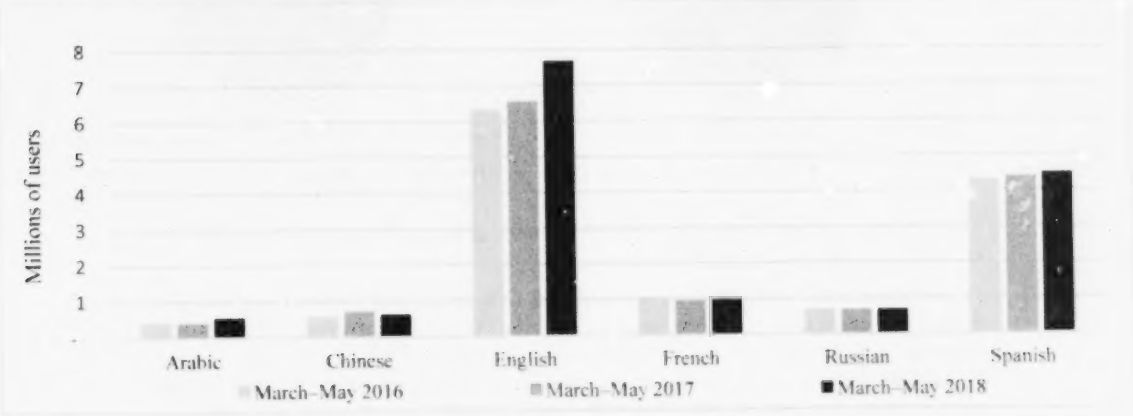


43. While audience sizes and rates of engagement varied across languages, extensive growth was measured, especially in Portuguese and Spanish. Engagement is increasing among users in Russian as well, with content relating to the Sustainable Development Goals proving to be particularly popular.

B. Web and digital

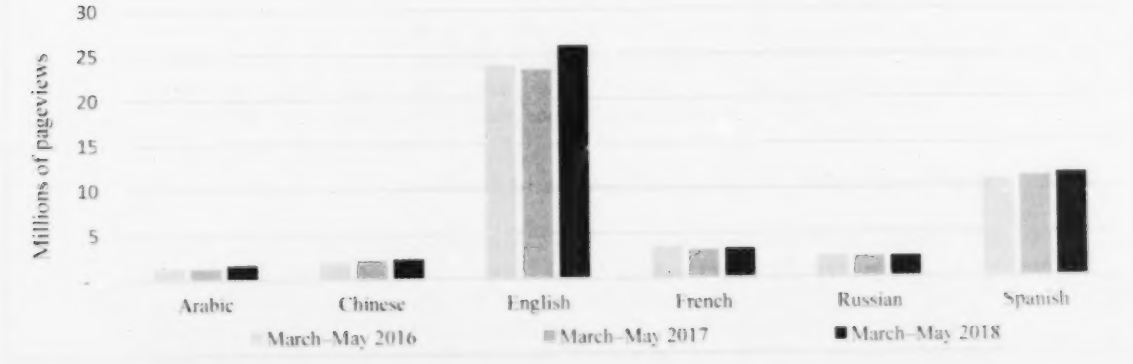
44. In the first half of 2018, traffic to the United Nations website (www.un.org) continued to increase at a steady rate. The website reached 14.8 million users across all languages during the period March to May 2018, a growth of 9.16 per cent over the corresponding months in 2017 (see figure II).

Figure II
Reach by language of user, 2016 to 2018



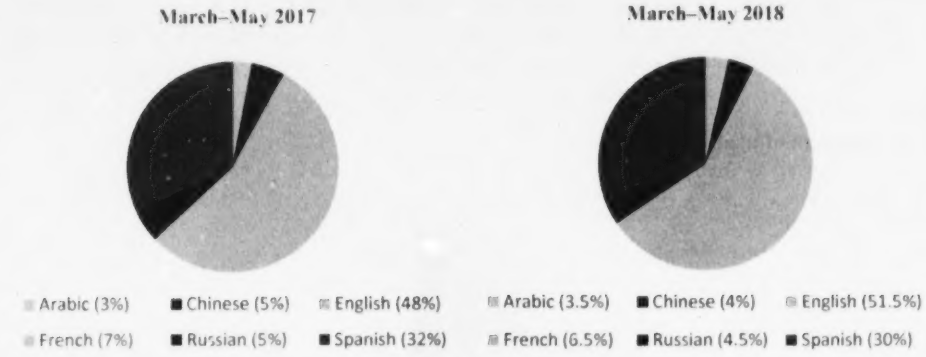
45. Audience engagement in the United Nations website also increased between March and May 2018, with total pageviews in all languages reaching 46.3 million, a growth of 7.6 per cent over the same months in 2017 (see figure III).

Figure III
Engagement by language of user, by pageviews, 2016–2018



46. The language proportions of audiences has not changed significantly over the past year, although audience share is slightly greater in Arabic and English compared with 2017 (see figure IV).

Figure iV
Audience share by language, 2017 and 2018



47. Overall, the languages that display the most growth in users over the past year are Arabic, English and Spanish.

48. Within the United Nations website, the web pages that experienced the most notable increases in engagement were those in the "Observances" and "Global Issues" sections. Following the General Assembly resolutions concerning new United Nations observances, web pages in all six official languages of the United Nations were created for World Bee Day (20 May), World Bicycle Day (3 June), the International Day of Parliamentarism (30 June) and the International Day of Sign Languages (23 September).

49. The Department also partnered with the United Nations trust fund for human security to launch a new website for the trust fund containing some 1,300 web pages aligning with branding, multilingual and web accessibility standards.

50. The information architecture of the Department's Sustainable Development Goals website, with its significant annual engagement of over 15 million pageviews, has been restructured to address user interests and interaction patterns, and the design was refreshed to match current United Nations web branding standards.

51. The Department partnered with the Department of Peacekeeping Operations in upgrading the main United Nations Peacekeeping website in the six official languages of the United Nations and in rolling out a new United Nations Peacebuilding website along with a new website for the United Nations peace and development trust fund.

C. Multimedia and multilingual news and features

52. Multilingual multimedia news coverage provides an overview for the global public of how the different parts of the United Nations system deliver on a vast range of pressing priorities. The Department provided multimedia communications support and coverage of the joint United Nations-African Union visit led by the Deputy Secretary-General to Chad and the Niger in July that highlighted the role of women in peace and security and development and drew media attention to the subregion. Through audio, print and online text, photographs, videos and social media, the Department's news and feature products are reaching remote communities without connectivity as well as communities with broad digital access.

53. To address the communications challenges posed by the digital divide, the Department continued to partner with media outlets in Africa in particular. Building

on past collaboration, the Department developed several new radio partnerships in Liberia, Nigeria and Senegal and is currently pursuing television partnerships in other countries in Africa.

54. Towards balancing digital and traditional media, the United Nations News teams continued to work in the six official languages of the United Nations and in Portuguese and Kiswahili to feature United Nations issues and produce system-wide content for news platforms. News aggregators, some of which are multilingual, regional news outlets and United Nations system websites have regularly featured United Nations News stories.

55. In February 2018, the Department launched its integrated multimedia United Nations News website, consolidating parallel platforms in order to provide a unified user experience, incorporating text, audio and video content. Overall pageviews of the United Nations News sites subsequently increased by 40 per cent in March through May 2018 compared with the same period in 2017, with the greatest increases in Arabic (100 per cent), French (47 per cent) and Spanish (40 per cent) (see figure V). In line with audience preferences and industry practices, the United Nations News mobile application was changed so that users could receive alerts, view mobile-friendly videos and download podcasts.

56. United Nations News in Arabic adopted innovative ways to cover politically complex issues in the Middle East and North African regions, recording audience spikes for stories on Yemen, the Syrian Arab Republic and the tenth emergency special session of the General Assembly, on Palestine. Other priority topics covered by the Arabic team included stories about the protection of civilians, migrants and refugees, the rights of persons with disabilities and human rights, resulting in strong engagement on social media platforms and an increase in visits to the news platforms.

57. Content from United Nations News in Chinese, which drew a high proportion of its audience from young people in the "Millennials" cohort, flourished on microvideo sites, as the team also continued to solidify media partnerships, including with major radio stations such as China National Radio, Radio Beijing and Radio Shanghai. Frequent live link-ups with China National Radio drew audiences in the millions. Multimedia coverage increased on topics including the 2030 Agenda, gender and health priorities. The "Service and sacrifice" campaign features on Chinese peacekeepers were picked up by almost all major Chinese media outlets.

58. United Nations News in English continued to provide innovative, impactful and timely coverage of the Organization's activities, registering a pageview increase of almost 30 per cent during the reporting period. Coverage highlights included the Secretary-General's launch of the "Action for peacekeeping" initiative, the new agenda for disarmament and development system reform. Content created to support social media included videos explaining the role of the United Nations in nuclear non-proliferation, Security Council sanctions and the process for the election of judges to the International Court of Justice. Expanded podcasts featured the Special Representative of the Secretary-General on Sexual Violence in Conflict discussing the situation of Rohingya women and twin activists from Ghana discussing combatting the challenges surrounding albinism.

59. United Nations News in French received some 40 per cent more pageviews than in the same period in 2017, with the majority of its audience being young people in the "Millennials" cohort. Between March 2017 and March 2018, the United Nations News in French Twitter account had garnered a total of 1.47 million impressions, an 8 per cent increase compared with the preceding period. Strengthened partnerships included that with Ecoradio.FM, a web-based radio network in France affiliated with the Associated Schools Network programme of the United Nations Educational, Scientific and Cultural Organization (UNESCO) that focuses on education for

sustainable development and global citizenship. Podcasts were also produced on youth, including one featuring Moussa Ngom, a young, United Nations-awarded Senegalese journalist, for Press Freedom Day. He is one of the seven winners of the "Voices of a brighter future" competition organized by the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States.

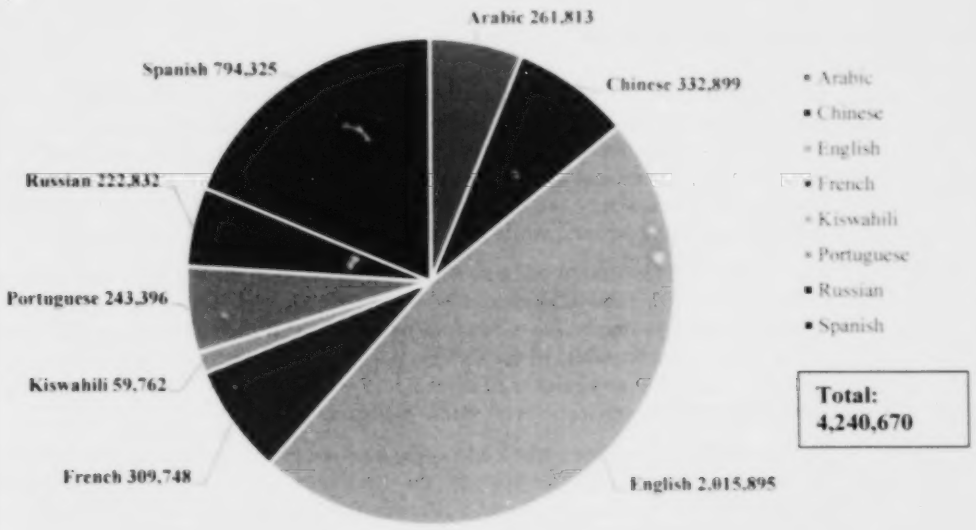
60. United Nations News in Kiswahili produced multimedia content on issues such as United Nations peacekeeping operations, youth and the Sustainable Development Goals for target audiences in Africa and the diaspora. Working with stringers in the region made it possible for the team to incorporate local voices, highlighting, for example, the plight of thousands of refugees from the Democratic Republic of the Congo in camps in Uganda. Daily Facebook Live videos helped it to gain new television partners across the region, with some using programmes on a daily basis, including Zenji TV in Zanzibar, United Republic of Tanzania, Tanzania Broadcasting Corporation, and Beni Radio and TV in the Democratic Republic of the Congo. Six new partners were acquired between March and June from radio, television and blogs.

61. United Nations News in Portuguese served Lusophone audiences, including young people, through new products and targeted news and feature coverage. Stringers in Lusophone Africa were trained on creating multimedia and social media content in order to enhance coverage. The flagship daily multimedia Destaque ONU News, with video stories and live videos on Lusophone countries, garnered an increase of over 40 per cent in subscriptions on the Portuguese YouTube channel in just five months. Some of the videos were rebroadcast by partners such as TV Globo International.

62. United Nations News in Russian continued to produce news and features on global issues as well as issues relevant to target audiences. Interviews conducted with key United Nations officials addressed issues such as humanitarian affairs, counterterrorism and the rule of law. Multimedia coverage resulted in greater engagements compared with the preceding year. United Nations News in Russian products were rebroadcast and republished by major news agencies with different political leanings, a testament to its balanced coverage. New media partners included the Russian news aggregator Yandex Radio and RTN TV, Russian radio and television stations in the United States.

63. United Nations News in Spanish produced coverage tailored to the changing needs and demands of its audiences. The team worked closely with counterparts from United Nations information centres to feature local stories resonating with Latin American audiences. Social media successes included a video produced in partnership with the Office of the United Nations High Commissioner for Human Rights by actor and director Gael García Bernal that reached 1.2 million people on Facebook and garnered more than 400,000 views. In the first four months since the launch of the new, integrated United Nations News platform, the Spanish news centre Noticias ONU received more than 922,000 pageviews, a total increase of 40 per cent.

Figure V
United Nations News pageviews by language, March–May 2018



D. Press and meetings services

64. Between March and September 2018, the Meetings Coverage Section produced some 2,000 press releases in English and French. One third of that output consisted of summaries of meetings of the General Assembly, the Security Council, the Economic and Social Council and their subsidiary bodies and substantive commissions. More than 1,100 press releases included statements, remarks and messages from the Secretary-General and Deputy Secretary-General and material from other United Nations offices and departments.

65. Bringing United Nations meetings, intergovernmental debates and deliberations and events live to global audiences, the Department provided live and on-demand streaming coverage on four different platforms: United Nations Web TV (webtv.un.org); the United Nations channel on YouTube (youtube.com/unitednations); Facebook (facebook.com/UNWebTV); and Twitter (twitter.com/UNWebTV).

66. By September, the audience of the United Nations channel on YouTube was expected to exceed 57 million views and 145 million minutes of viewing time, a 60 per cent increase compared with the previous 12 months. The number of subscribers to the channel grew by 85 per cent over the previous year, approaching 290,000.

67. To facilitate media coverage by global correspondents, the Media Liaison and Accreditation Unit processed approximately 1,000 accreditation requests at Headquarters between March and June 2018 and is expected to process some 3,000 temporary requests for accreditation relating to the seventy-third session of the General Assembly high-level period in September. The Unit alerted members of the press, delegates, staff and others, including more than 41,000 Twitter followers, to activities at Headquarters and to the release of key documents, statements and reports.

68. The Department also continued to monitor global media coverage in many languages and develop its capacity for media and social media analysis, with close to 15,000 clippings of online news articles made from March through May 2018.

E. Video, television and photo

69. United Nations Video continued to produce compelling products highlighting major United Nations themes and issues, with added emphasis on language versions and videos created for mobile, news and social media. In response to changes in audience expectation and interest, as well as a rise in digital and social media, the team moved increasingly towards producing short and impactful videos for digital media partners and airlines, while also working with traditional broadcast outlets.

70. In May 2018, United Nations Video launched its first virtual reality film, in collaboration with *Time Magazine*, *Under the Blue Helmet*. The film, which allows viewers to have an immersive experience of the life of United Nations peacekeepers in the Democratic Republic of the Congo, was placed on the Samsung virtual reality platform, which has an audience of some 2 to 5 million people. It was also shared on *Time Magazine*'s online and social media platforms.

71. United Nations Video worked to engage young people through a film covering the one-day Youth Dialogue held by the President of the General Assembly at Headquarters on 30 May 2018 and a film highlighting the work of Member States with regard to ratification of the Convention on the Rights of the Child.

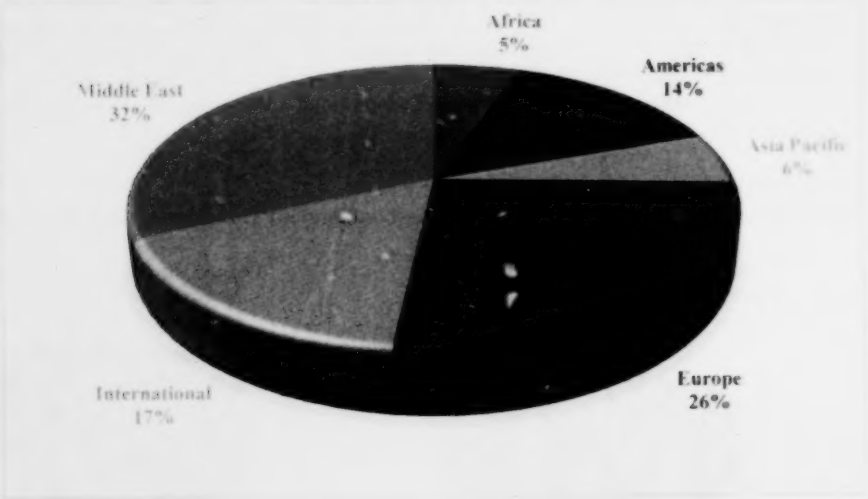
72. Some 20 short films, created for the "Service and sacrifice" campaign, in which gratitude is expressed towards peacekeepers were disseminated to national broadcast media outlets in different languages.

73. The United Nations Photo Library distributed more than 100,000 high-resolution photos during the reporting period and responded to more than 4,000 requests from Member States, the media, publishers, organizations of the United Nations system and the general public. The Library also showcased the work of the Organization using social media platforms. Its Flickr account added 5 million views between January and July 2018, bringing the accumulated number of views to 42 million. The Library also continued to create and add to thematic albums providing users on social media platforms with curated content from United Nations photos.

74. The ongoing large-scale project of digitizing the historically significant United Nations audiovisual collections advanced to include such important and unique assets as a press conference by Eleanor Roosevelt, the Nobel Peace Prize statement by Ralph Bunche and former Emperor of Ethiopia Haile Selassie's welcome speech to the United Nations Commission for Eritrea. Some 37,000 audio discs from the late 1940s to the 1970s have been cleaned, processed and inventoried.

75. The Department's UNifeed operation remained the go-to address for broadcasters seeking raw video on the work of the United Nations and its agencies. According to the Teletrax monitoring system, between March and June 2018, UNifeed materials were aired 23,009 times by broadcasters. The majority of the broadcasters (some 32 per cent) were located in the Middle East (see figure VI). UNifeed coverage included the Secretary-General's visits to hurricane-ravaged areas of the Caribbean, his official visit to Colombia and his visit to Mali.

Figure VI
Broadcasts of UNifeed by region, March–June 2018



IV. Outreach and knowledge services

A. Education outreach

76. In collaboration with United Ambassadors, a Model United Nations organization, the Department of Public Information held a training session on the "UN4MUN" approach to Model United Nations in Geneva in April 2018, at which student leaders and advisers from 20 countries were encouraged to organize their future Model United Nations conferences in line with that approach, which more closely follows the proceedings of the General Assembly. In May, the Department conducted training sessions at the United Nations Office on Drugs and Crime workshop on education for justice Model United Nations in Vienna, which brought together educators, Model United Nations organizers and field staff to learn about the approach.

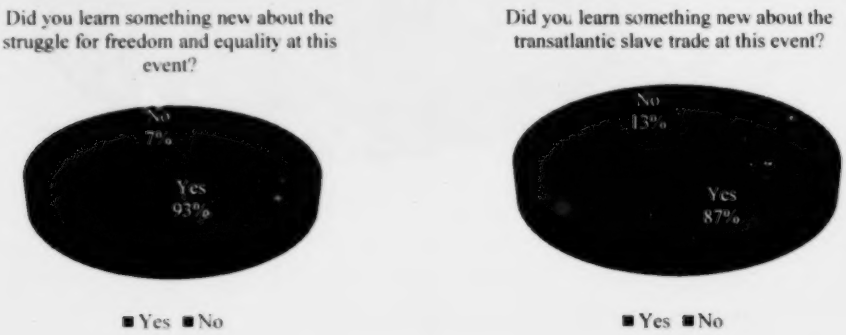
77. To commemorate the International Day of Peace while underscoring Sustainable Development Goal 16, the Department held a global student video conference on the theme "The right to peace: the Universal Declaration of Human Rights at 70" at Headquarters in September 2018, for which it produced related web pages, social media content and print materials in all official languages of the United Nations. Students from the United States and South Sudan presented peace projects with initiatives to promote human rights for all.

78. In April 2018, the Department organized an event with Michel Kichka, author of a graphic novel illustrating the impact on his family of the trauma suffered by his father in the Holocaust.

79. The Department held several events to commemorate the International Day of Remembrance of the Victims of Slavery and the Transatlantic Slave Trade (25 March). In March, the exhibit "Remember slavery: say it loud" at Headquarters featured the work of architects of African descent who have faced obstacles in their profession. Also that month, the General Assembly held its commemorative meeting for the International Day, for which the Department organized the participation of the

keynote speaker, Graciela Dixon, former Chief Justice of the Supreme Court of Panama, and coordinated a cultural and culinary event. In addition, the Department organized a briefing for civil society under the theme "Triumphs and struggles for freedom and equality". In April 2018, the Department organized the tenth annual "Remember slavery" global student videoconference with the participation of the Permanent Mission of Mauritius to the United Nations and the Caribbean Community to the United Nations. More than 500 students attended the event, while two dozen more participated from Mexico and Tanzania (see figure VII).

Figure VII
Survey responses: "Remember slavery" global student videoconference, April 2018


Did you learn something new about the struggle for freedom and equality at this event?
No 7%
Yes 93%
Yes No
Did you learn something new about the transatlantic slave trade at this event?
No 13%
Yes 87%
Yes No

80. The Department subtitled the film *Familiar Faces/Unexpected Places: A Global African Diaspora* in French, Russian, Spanish, Azeri, Kiswahili and Portuguese for use by United Nations information centres, which held 90 activities in 23 countries for the March observance.

81. The permanent memorial to honour the victims of slavery and the transatlantic slave trade, the *Ark of Return*, was promoted through on-site weekly briefings for the general public; social media posts of interviews with senior officials at the *Ark of Return* and the websites of the "Remember slavery" programme and the Visitors' Centre.

B. Academic Impact initiative

82. During the reporting period, the Academic Impact initiative continued its outreach to institutions of higher education through its multilingual website showcasing the role of its network of universities in advancing the 2030 Agenda, the effect of partnerships between universities and local governments on development and the significance of intercultural literacy and global citizenship education for unlearning intolerance.

83. In May, the initiative launched a year-long series of web articles on member institution research, teaching and learning as well as community engagement in achieving the Sustainable Development Goals. They highlighted innovative contributions including the work of Unicaf University (Malawi) on maternal and neonatal health, Universidad de Buenos Aires (Argentina) on waste management, New Giza University (Egypt) on international medical collaboration, Meiji Gakuin University (Japan) on refugee support and Chemnitz University of Technology (Germany) on automotive fuel consumption.

84. In April, the initiative organized a conference on how educational institutions, community initiatives and the government are working together in the Indian state of Kerala to further the Sustainable Development Goals. Another event that month convened with Lehigh University (United States) connected hundreds of university students in science, technology, engineering and math around the globe tackling problems of access to clean water and sanitation. A conference held in collaboration with the Asia-Pacific Centre of Education for International Understanding addressed connections of global citizenship education with human rights, as a contribution to achieving the 2030 Agenda. In June, the initiative, together with De Montfort University (United Kingdom of Great Britain and Northern Ireland), organized an international conference based on a network of 38 universities in support of Goal-related action, research and teaching and especially committed to Goal 16, with students sharing initiatives and activities to support migrants and refugees in the framework of the Sustainable Development Goals.

85. The initiative, whose network has expanded to over 1,200 institutions in some 125 countries, with recent vibrant growth in Africa, Latin America and the Arab region, remained involved in the Group of Friends for Global Citizenship Education co-chaired by the Permanent Missions of Qatar and of the Republic of Korea to the United Nations.

C. Engagement with young people

86. To raise awareness about youth needs and rights, the Office of the Envoy on Youth, supported by the Department, participated in numerous events during the reporting period. The Envoy undertook missions to several countries, where she engaged with government officials, United Nations representatives and members of civil society.

87. In March 2018, on the margins of the sixty-second session of the Commission on the Status of Women, the Office organized the Youth Dialogue and the event on the theme "Lessons learned from the implementation of the women and peace and security agenda: recommendations to advance the youth and peace and security agenda".

88. The Envoy on Youth provided a briefing to the Security Council on the progress study on youth and peace and security in April 2018 and made remarks at the high-level meeting of the General Assembly on peacebuilding and sustaining peace. In May, she spoke at the Youth Dialogue held by the President of the General Assembly at Headquarters.

89. In June 2018, the Office of the Envoy, in partnership with the Office of the United Nations High Commissioner for Human Rights and the European Youth Forum, jointly hosted a side event to the thirty-eighth session of the Human Rights Council in Geneva on youth and human rights and one in New York in conjunction with the humanitarian affairs segment of the Economic and Social Council.

90. The Envoy on Youth spoke at the opening of the high-level segment of the high-level political forum on sustainable development in July and participated in its first "Sustainable Development Goal media zone". On World Youth Skills Day (15 July), the Office of the Envoy, jointly with UNESCO, the International Labour Organization and the Permanent Missions of Portugal and of Sri Lanka to the United Nations, organized an event on youth skills for sustainability and innovation at Headquarters.

D. Sales and marketing

91. In the context of the seventieth anniversary of the Universal Declaration of Human Rights, the Department partnered with the publishing industry to amplify the reach of the corresponding campaign. It also created a new design for the anniversary edition of the Declaration and related merchandise for sale in the United Nations Bookshop. Recording kiosks were set up in the Bookshop, as well as at selected international publishing events, for visitors to record themselves reading an article from the Declaration in their language.

92. To promote private sector partnerships on development projects, United Nations Development Business participated in the ninth annual International Infrastructure Investment and Construction Forum in Macao, China, in June 2018.

93. The Department has begun distributing UNESCO publications in all official languages of the United Nations through its international distribution channels, including the outlets of the United Nations Bookshop, through print-on-demand wherever possible.

94. The *Sustainable Development Goals Report 2018*, released in June, was highlighted on the home page of the United Nations iLibrary platform in all available languages.

E. Publications and editorial

95. The launch of the International Decade for Action, "Water for Sustainable Development", 2018–2028, was supported in Issue 1, 2018, of the quarterly magazine *UN Chronicle*, which focused on ensuring the availability and sustainable management of water for all.

96. The latest edition of the guidebook *Basic Facts about the United Nations* was issued in French and Spanish in the first half of 2018, both digitally and in print. The release of the Arabic, Chinese and Russian versions is expected in the second half of the year, both digitally and in print. This is the first time that an edition of the book will be issued in all six official languages of the United Nations and available in digital and print versions.

97. The online-only publication Yearbook Express, featuring summarized content from the *Yearbook of the United Nations* in all official languages of the United Nations, continued to expand the scope of its availability to older volumes of the authoritative reference work from previous decades, as well as to the most recently published edition. At present, the Yearbook Express has been completed, in all six official languages of the United Nations, for the volumes of the *Yearbook of the United Nations* for 2003 to 2011.

F. Dag Hammarskjöld Library

98. The United Nations Digital Library continues to grow and is becoming the central repository of the Secretariat. A year after its launch in May 2017, the number of downloads reached a total of 2.7 million. During the period March–May 2018, the total number of downloads was 711,000.

99. The Dag Hammarskjöld Library published two new guides during the reporting period, entitled "United Nations documentation: development" and "United Nations system documentation". Ask DAG, the online resource for frequently asked questions, was accessed more than 400,000 times.

100. During the reporting period, the Library received some 1,550 requests for information support from permanent missions and over 2,000 from United Nations staff. It offered more than 70 training sessions in English, French and Spanish, with a total of 650 attendees, of whom 320 were staff and delegates from Permanent Missions.

101. The Library also digitized and uploaded more than 11,500 historical United Nations parliamentary documents and publications. Some 10,500 current official United Nations parliamentary documents were analysed, indexed and added to the Library's online systems. In addition, the Library produced and disseminated the Index to Proceedings of the Security Council (seventy-second year — 2017) and the Index to Proceedings of the General Assembly (seventy-first session — 2016/17).

G. Non-governmental organizations, advocacy and special events

102. The Department continues to facilitate meaningful stakeholder engagement in United Nations processes, including the General Assembly high-level meeting on peacebuilding and sustaining peace in April 2018, the Youth Dialogue convened by the President of the General Assembly in May 2018 and the High-Level Meeting of the General Assembly on the theme "Financing for the Sustainable Development Goals: breaking the bottlenecks of investment, from policy to impact" in June 2018.

103. In partnership with the Executive Committee of Non-Governmental Organizations Associated with the Department of Public Information, the NGO Relations Unit will organize the sixty-seventh Department of Public Information/NGO Conference under the theme "We the peoples: finding global solutions for global problems", to be held at Headquarters on 22 and 23 August 2018. The Conference will focus on the value of multilateralism, opportunities offered by the repositioned United Nations development system for closer partnership with civil society, and innovation in support of the implementation of the Sustainable Development Goals.

104. Young people will play a pivotal role in the planning of the Conference. The Youth Subcommittee of the Conference has conceived of various events to be held at a "Youth hub", a dedicated space for young people at the Conference, including one-on-one conversations, panel discussions and workshops with youth leaders, senior United Nations officials and representatives of civil society organizations, Member States, academia and the private sector. The Conference will also include the drafting of a Youth Declaration, by young people, through extensive consultation among young people across the world.

105. The Department is continuing its collaboration with Mattel to incorporate the Sustainable Development Goals into storylines of the animated children's television series Thomas and Friends. A launch event will take place in September 2018 at Headquarters to coincide with the release of the television series in the United States. A campaign website hosting Sustainable Development Goal-inspired Thomas and Friends content will go live ahead of the event.

106. In March 2018, the Department organized a side event to the sixty-second session of the Commission on the Status of Women on the role of film and television producers in empowering women. Speakers included Academy Award-winning producer Donna Gigliotti. The observance of World Autism Awareness Day (2 April) at United Nations Headquarters focused on the importance of empowering women and girls with autism and involving them in policy and decision making to combat discrimination.

107. The Messengers of Peace provided social media support for various campaigns and initiatives. Messenger of Peace Jane Goodall recorded a social media video for the "Beat plastic pollution" campaign (#beatplasticpollution) of the United Nations Environment Programme on the occasion of World Environment Day (5 June). Also that month, Messengers of Peace Princess of Jordan Haya Bint Al Hussein, Daniel Barenboim, Jane Goodall, Yo-Yo Ma and Charlize Theron shared the Secretary-General's "100-day countdown" message for the International Day of Peace (21 September) on their own platforms. Several Messengers of Peace, including Paulo Coelho, expressed their support for the "Not a target" campaign (#notatarget) for World Humanitarian Day on social media.

H. Visitors services

108. Through direct outreach, the Visitors Services in New York, Geneva, Vienna and Nairobi educated well over 1,000 visitors every day about the work and history of the United Nations, as well as about such topics as the Sustainable Development Goals, human rights, peacekeeping, disarmament and decolonization. During the reporting period, Visitors Services conducted guided tours in 22 languages, including the official languages of the United Nations, for some 289,000 visitors (New York: 160,000; Geneva: 87,000; Vienna: 38,000; Nairobi: 4,000). More than half of the visitors were young people. In addition, the Services organized briefings by United Nations officials for some 20,000 people, primarily students, in multiple languages, through outside speaking engagements conducted away from Headquarters, as well as through Skype. Special programmes for students, young journalists, non-governmental organizations, VIPs, tourism professionals and others helped to augment outreach, especially through coverage in traditional and social media.

109. The Reham al-Farra Memorial Journalism Fellowship was awarded in 2018 to 15 young journalists from developing countries and countries with economies in transition. They were invited to attend training at Headquarters from 16 September to 6 October 2018 on the United Nations and to report on the seventy-third session of the General Assembly.

110. A free mobile app displaying the works of art and architectural elements located in public areas of Headquarters is now available in all official languages of the United Nations.

I. United Nations intranet (iSeek) and deleGATE

111. During the reporting period, close to 400 stories in English and French and 700 global and local announcements on key management issues, the Secretary-General's initiatives, including the gender parity strategy, and United Nations events were posted on the United Nations intranet, iSeek, and on deleGATE. The Department has fully integrated the intranet of the Department of Political Affairs into iSeek and has initiated discussions on integrating other local intranets. Work on migrating deleGATE to the iSeek platform is ongoing.

J. Graphic design

112. The Graphic Design Unit of the Department continued to support United Nations information centres and other Secretariat departments by providing visual communication and graphic design solutions, including multilingual design services, for public information campaigns, including the "Not their war" children and armed conflict campaign (#nottheirwar), conferences and publications, and high-level

events of the General Assembly as well as the humanitarian affairs segment of the Economic and Social Council.

V. Deepening a culture of evaluation

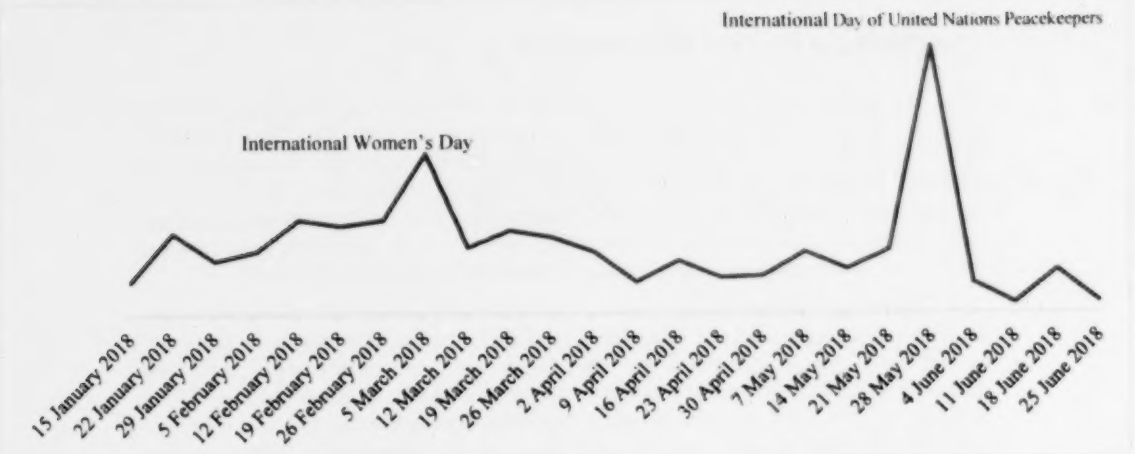
113. The Department maintains its commitment to a culture of evaluation with the objective of enhancing the effectiveness of its products and activities. The Evaluation and Communications Research Unit conducts evaluations for the Department and provides technical support to programme managers in carrying out their self-assessments. In addition, the Unit builds capacity for communications measurement and routinely tracks metrics for monitoring and reporting purposes, including on traditional news media and social media coverage and website performance.

114. During the period January to July 2018, the Evaluation and Communications Research Unit evaluated the "Service and sacrifice" campaign that was designed, coordinated and implemented by the Department in collaboration with the Department of Peacekeeping Operations. The digital aspect of the campaign, which features tailored content for troop- and police-contributing countries and messages of gratitude for the personal service and sacrifice of peacekeepers aimed at key audiences in the military, Governments and civil society sectors.

115. Preliminary results of the campaign's social media strategy have illustrated that it has been effective in reaching audiences at the global and country levels. Since January 2018, the campaign's hashtag (#servingforpeace) has been mentioned in more than 34,000 posts, with nearly 1 million engagements (see figure VIII). Social media audiences worldwide were particularly engaged on the key dates of International Women's Day (8 March) and the International Day of United Nations Peacekeepers (29 May).

116. In a country-level example, the campaign in Nigeria successfully reached and engaged with influencers on Twitter in the military and Government sectors, as well as civilians. Campaign messages tailored for audiences in Nigeria were shared by the Twitter accounts of the Presidency of Nigeria, the federal Government, Defence Headquarters of the Nigerian Armed Forces and the Nigeria Police Force conveying their recognition and gratitude for the peacekeepers. Other messages amplified campaign content among audiences in the security sector and civil society in Nigeria. Further analysis on similar outcomes is expected to provide important feedback for the Department's future planning of peacekeeping-related campaigns.

Figure VIII
Social media mentions of the campaign hashtag #servingforpeace



VI. Conclusion

117. In shifting towards a Department of Global Communications, the Department of Public Information will continue to work with Member States as it identifies and implements improvements, including those based on best practices and industry standards, across the Department in a deliberate and coordinated way. It will continue to be guided by the priorities established by the Committee on Information as it seeks to better deliver the mandates entrusted to it, and it will adapt to the relevant changes emerging from the other reform streams on management, the United Nations development system and peace and security. In all of this, the Department will remain focused on its primary aim: to become a modern communications operation that ensures that it is a global leader in information and content about the purposes and work of the United Nations for the benefit of those it serves.

United Nations A/73/289–S/2018/569

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Security Council

Distr.: General
1 August 2018

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General Assembly
Seventy-third session
Item 131 of the provisional agenda*
International Residual Mechanism for Criminal Tribunals

Security Council
Seventy-third year

International Residual Mechanism for Criminal Tribunals

Note by the Secretary-General

The Secretary-General has the honour to transmit to the members of the General Assembly and of the Security Council the sixth annual report of the International Residual Mechanism for Criminal Tribunals, submitted by the President of the Mechanism in accordance with article 32 (1) of the statute of the Mechanism (see Security Council resolution 1966 (2010), annex 1).

* A/73/150.

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Letter of transmittal

Letter dated 1 August 2018 from the President of the International Residual Mechanism for Criminal Tribunals addressed to the President of the General Assembly and the President of the Security Council

I have the honour to submit the sixth annual report of the International Residual Mechanism for Criminal Tribunals, dated 1 August 2018, to the General Assembly and to the Security Council, pursuant to article 32 (1) of the statute of the Mechanism.

(*Signed*) Theodor **Meron**
President

Summary

Sixth annual report of the International Residual Mechanism for Criminal Tribunals

The present annual report outlines the activities of the International Residual Mechanism for Criminal Tribunals from 1 July 2017 to 30 June 2018.

The Mechanism was established by the Security Council in resolution 1966 (2010) to carry out a number of essential functions of the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia after the closure of the two Tribunals. Those functions include attending to a wide range of judicial matters, locating and arresting remaining fugitives, providing protection to witnesses, supervising the enforcement of sentences and managing the archives of the two Tribunals. The Mechanism operates through its branches in Arusha, United Republic of Tanzania, and The Hague, the Netherlands, and is guided in its activities by the Security Council's emphasis on it being a small, temporary and efficient structure, whose functions and size will diminish over time, with a small number of staff commensurate with its reduced functions.

As recognized by the Office of Internal Oversight Services (OIOS) in its evaluation of the methods and work of the Mechanism, the Mechanism has made progress towards realizing its mandate to be small and efficient through a gradual and multidimensional process, requiring both intra-office integration and inter-branch coordination. According to the OIOS report on the Mechanism issued in March 2018 (S/2018/206), all organs of the Mechanism have drawn on operational innovations to streamline workflows, increase cost-efficiency and establish operational responses to dynamic workloads. Those strengths served the Mechanism well during the reporting period, as it weathered unexpected budgetary challenges while beginning to operate, for the first time since its establishment, without the support of its predecessor Tribunals. Those strengths likewise reflect the Mechanism's continued focus on consolidating best practices and actively pursuing new ways to improve operations, procedures and working methods so as to maximize efficiency and effectiveness.

During the reporting period, the President continued to supervise matters relating to the management of the Mechanism, coordinate the work of the Chambers and preside over the Appeals Chamber, and he issued decisions and orders on a number of issues, including the enforcement of sentences and legal aid. The Appeals Chamber issued one appeal judgment and, as at 30 June 2018, was seized of, inter alia, two appeals from judgment, one request for review of judgment and one appeal related to a referred case. The Appeals Chamber has issued a number of decisions and orders in those and other cases. The Mechanism's Trial Chamber at The Hague branch continued evidentiary hearings in a retrial that commenced in June 2017. In addition, single judges issued a large number of decisions and orders on a range of matters, including on providing assistance to national jurisdictions by ruling on requests for variations of protective measures and requests for access to confidential information. Both the President and the judges contributed to the further development of the Mechanism's legal and regulatory framework during the reporting period, including through the revision by the judges of their code of professional conduct in order to establish a disciplinary procedure for the judges and thereby enhance judicial accountability.

The Office of the Prosecutor focused on three priorities: (a) the expeditious completion of trials and appeals; (b) locating and arresting the eight remaining fugitives indicted by the International Criminal Tribunal for Rwanda; and (c) assisting national jurisdictions in prosecuting international crimes committed in the former

Yugoslavia and Rwanda. The Office of the Prosecutor also continued to perform its responsibilities in respect of other residual functions, including handling the large volume of non-trial and appeal litigation before the Mechanism.

The Registry continued to provide and coordinate administrative, legal, policy and diplomatic support services for the Mechanism throughout the reporting period. As part of its substantive functions, the Registry offered protection and support services to witnesses, worked on multiple aspects of the enforcement of sentences handed down by the Tribunals and managed the archives of the Tribunals. As part of its administrative functions, the Registry completed the establishment of its own administration which, for the first time since the inception of the Mechanism, provided services to the institution without the support of the Tribunals.

I. Introduction

1. The sixth annual report of the International Residual Mechanism for Criminal Tribunals outlines the activities of the Mechanism for the period from 1 July 2017 to 30 June 2018.

2. The Mechanism's mandate includes ensuring the trial of the remaining fugitives. While the International Tribunal for the Former Yugoslavia had no outstanding fugitives charged with serious violations of international humanitarian law at the time of its closure, eight individuals indicted by the International Criminal Tribunal for Rwanda are still at large. Three of the eight are expected to be tried by the Mechanism, and the cases of the remaining five have been referred to Rwanda for trial.

3. The Mechanism has also been mandated to conduct a number of other judicial activities, consistent with the provisions of its statute and the modalities specified in the transitional arrangements. The activities include the retrial of cases completed by the two Tribunals, appeals of their judgments and sentences, reviews of their proceedings and contempt of court and false testimony cases.

4. In addition, the Mechanism has been tasked with responsibility for certain functions of the two Tribunals, including: providing protect and support to victims and witnesses who have testified in the Tribunals' cases; management of the Tribunals' archives; supervision of the enforcement of sentences handed down by the Tribunals; responding to requests for assistance from national jurisdictions; and monitoring cases referred to national courts by the Tribunals.

5. During the reporting period, the Mechanism conducted a range of judicial and other activities within its remit and further developed its legal and regulatory framework, including through the adoption of a revision to its code of judicial conduct in order to establish a disciplinary procedure for the judges. In addition, and for the first time since its opening, the Mechanism stood on its own without the support of its predecessor Tribunals following the closure of the International Tribunal for the Former Yugoslavia in December 2017. Unanticipated budgetary challenges during the reporting period exposed the Mechanism to operational risks and had a negative impact on its ability to perform its mandated activities smoothly and efficiently. Nevertheless, the Mechanism continued to strive to carry out its mandated functions to the highest possible standards and to seek new ways to improve its operations, procedures and working methods so as to maximize effectiveness and efficiency.

II. Activities of the Mechanism

A. Organization

6. In its resolution 1966 (2010), the Security Council established that the Mechanism would operate for an initial four-year period, starting from 1 July 2012. Unless the Council decides otherwise, the Mechanism shall continue to operate for subsequent periods of two years, following reviews by the Council of the progress of the Mechanism's work, including in completing its functions. The Council completed its first review of the progress of the Mechanism's work in December 2015, as set forth in Council resolution 2256 (2015) and reflected in General Assembly resolution 70/227, and completed its second review of the progress of the Mechanism's work in June 2018, as set forth in Council resolution 2422 (2018).

7. The Mechanism consists of three organs, which serve both branches of the Mechanism: (a) the Chambers, from which single judges can be appointed and trial and appeal benches formed as needed, and which is presided over by the President;

(b) the Prosecutor; and (c) the Registry, which provides administrative services to the Mechanism, including the Chambers and the Prosecutor.

8. Each organ is headed by a full-time principal, common to both branches. The President of the Mechanism, who is primarily based at The Hague branch, is Judge Theodor Meron. The Prosecutor for the Mechanism, who is primarily based at the Arusha branch, is Serge Brammertz. The Registrar of the Mechanism, Olufemi Elias, will also be based primarily at the Arusha branch. In June 2018, Judge Meron was reappointed as President, with that reappointment effective from 1 July 2018 to 18 January 2019. Judge Carmel Agius was appointed to serve as his successor as President, with effect from 19 January 2019 to 30 June 2020. Prosecutor Brammertz was reappointed to a new term, with effect from 1 July 2018 to 30 June 2020.

9. As set forth in its statute, the Mechanism shall have a roster of 25 independent judges. During the reporting period, and in accordance with article 10 (2) of the statute, the Secretary-General appointed Judge Elizabeth Ibanda-Nahamya to serve as a judge of the Mechanism following the resignation of Judge Solomy Balungi Bossa. In June 2018, and further to Security Council resolution 2269 (2016) and article 10 (3) of the statute of the Mechanism, the Secretary-General reappointed 23 of the 25 judges for a new two-year term, with effect from 1 July 2018 to 30 June 2020. Of the two remaining judges, one declined to seek reappointment while the other's reappointment was denied.

B. Legal and regulatory framework

10. As provided by article 13 of the statute, the judges of the Mechanism may decide to adopt amendments to the Rules of Procedure and Evidence of the Mechanism and any such amendments shall take effect upon adoption by the judges, unless the Security Council decides otherwise. During the reporting period, the judges conducted a plenary by remote written procedure in accordance with the Rules of Procedure and Evidence and adopted certain amendments to the Rules on 9 April 2018. The judges also adopted a revision to the Code of Professional Conduct for the Judges of the Mechanism, adding a disciplinary procedure for the judges that draws upon best practices in the field and reflects a significant milestone for the institution.

11. The Mechanism further developed procedures and policies, building upon the best practices of both the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia. During the reporting period, the President issued a practice direction on the use of the electronic case management system and revised practice directions on the procedures for amending the Rules of Procedure and Evidence and for the determination of applications for pardon, commutation of sentence and early release. In addition, the Registrar completed the Mechanism's regulatory framework for legal aid by adopting policies on the remuneration of defence counsel in post-conviction proceedings and on the appointment and remuneration of *amici curiae* investigators and prosecutors, as well as guidelines concerning the determination of the indigency status of applicants for legal aid. Furthermore, the Registrar adopted a policy on translation for the conduct of judicial activities, a policy on interpretation and a code of ethics for interpreters and translators.

C. Mechanism Coordination Council

12. Pursuant to rule 25 of the Rules of Procedure and Evidence, the Mechanism Coordination Council is composed of the President, the Prosecutor and the Registrar and meets on an ad hoc basis to coordinate the activities of the three organs of the

Mechanism. The Council has met to discuss matters concerning planning for the biennium 2018–2019, the transition of functions from the International Tribunal for the Former Yugoslavia to the Mechanism and other matters of common concern.

D. Rules Committee

13. In September 2017, the Mechanism's Rules Committee submitted its second report to the judges on proposed amendments to the Rules of Procedure and Evidence, and amendments to the Rules were adopted by the judges on 9 April 2018, as indicated above.

E. Coordination with the International Tribunal for the Former Yugoslavia

14. The Mechanism continued to benefit greatly from the operational and administrative support provided by the International Tribunal for the Former Yugoslavia until that Tribunal's closure at the end of December 2017. Close cooperation between the two institutions ensured the efficient and smooth completion of the transition of the remaining essential functions and services of the Tribunal to the Mechanism.

III. Activities of the President and the Chambers

A. Principal activities of the President

15. The President, in his capacity as the head of the Mechanism, engaged in many issues related to the representation and management of the Mechanism throughout the reporting period. He represented the Mechanism in a variety of external forums, developed and contributed to the development of various policies and guidance documents, including with respect to translation, interpretation, the Mechanism's legal aid system and occupational safety and health, issued a new practice direction on the use of the electronic court management system and held regular meetings with the Registrar on operational matters subject to the President's overall authority.

16. Pursuant to the statute, during the reporting period, the President submitted two six-monthly reports to the Security Council on the progress of the Mechanism (S/2017/971 and S/2018/471) and twice briefed the Council on the work of the Mechanism, in December 2017 and June 2018. Also as mandated by the statute, the President submitted the Mechanism's annual report to the General Assembly and the Council (A/72/261-S/2017/661) and briefed the Assembly in November 2017. Finally, in accordance with the statement by the President of the Security Council of 19 March 2018 (S/PRST/2018/6), in April 2018 the President submitted the Mechanism's report on the progress of its work, including in completing its functions, since the last review of the Mechanism in December 2015 (S/2018/347).

17. During the reporting period, the President engaged with State officials in Arusha, The Hague and other locations, as well as with victims' groups and members of civil society. In addition, the President and senior staff members in the Chambers exchanged information and views with representatives from other courts and tribunals in order to identify and share best practices in the field of fair and expeditious case management.

18. In his judicial capacity, the President continued to coordinate the work of the Chambers with a view to achieving efficiencies and making the best use of the diverse

array of judicial expertise and legal cultures reflected in its roster of judges, including by providing a broad distribution of judicial work among the judges; ensuring the full readiness of the Chambers in the event of the apprehension of fugitives; and working with fellow judges and senior staff to enhance the smooth and cost-effective functioning of the Chambers more generally. In that regard, the President welcomed the March 2018 evaluation by OIOS of the methods and work of the Mechanism, wherein OIOS found that the Chambers had systematically planned for and transformed their organizational structure and working methods to maximize the full capacity of a leaner staff size with financial prudence, and that Chambers management had optimized workflow and established seamless integration between Arusha and The Hague, enabling the small staff team in the Chambers to support remote judges to their "great satisfaction".[1]

19. During the reporting period, the President also issued numerous assignment orders and ruled on requests for administrative review and legal aid. In addition, the President presided over the Appeals Chamber and served as the pre-appeal judge in the cases of *Radovan Karadžić*, *Ratko Mladić* and *Vojislav Šešelj*. With respect to the supervision of the enforcement of sentences, the President issued numerous decisions and orders relating to applications for the early release of persons convicted by the International Criminal Tribunal for Rwanda or the International Tribunal for the Former Yugoslavia and other public and confidential matters. He also addressed reports and complaints concerning the conditions of detention of convicted persons serving sentences under the supervision of the Mechanism.

B. Principal activities of single judges

20. During the reporting period, nearly two thirds of the judges on the roster of the Mechanism, serving as single judges in accordance with the statute of the Mechanism, were seized of and issued decisions or orders in relation to numerous requests arising in matters at both branches. Those requests concerned, inter alia, assistance to national jurisdictions, access to confidential information, the variation of protective measures, the disclosure of exculpatory information, allegations of contempt and false testimony and changes in the classification of filings. Collectively, 106 decisions or orders were issued by single judges during the reporting period and, as at 30 June 2018, five single judges were seized of matters relating to allegations of contempt of court and false testimony, requests relating to protective measures for victims and witnesses, and an allegation of a breach of the *non bis in idem* principle. In addition, a judge of the Mechanism was seized with three requests to disqualify three judges assigned to hear the *Mladić* appeal.

C. Principal activities of the Trial Chambers

21. In the case of *Jovica Stanišić and Franko Simatović*, the Trial Chamber at The Hague branch continued to hear the presentation of the Prosecution's case, which commenced on 13 June 2017. During the reporting period, the Trial Chamber issued 128 decisions or orders, including on trial modalities, the admission of evidence and provisional release. The trial is ongoing.

[1] See S/2018/206, para. 19.

D. Principal activities of the Appeals Chamber

22. On 11 April 2018, the Appeals Chamber delivered its judgment in the *Šešelj* case. In the appeal judgment, the Appeals Chamber reversed Vojislav Šešelj's acquittals, in part, and convicted him of instigating persecution (forcible displacement), deportation and other inhumane acts (forcible transfer) as crimes against humanity, and for committing persecution (violation of the right to security) as a crime against humanity in Hrtkovci, Vojvodina (Serbia). The Appeals Chamber sentenced Šešelj to 10 years of imprisonment, but declared the sentence served in view of the credit to which he was entitled under the Rules of Procedure and Evidence. During the reporting period, the Appeals Chamber also heard oral arguments on the Prosecution's appeal on 13 December 2017 and issued six decisions and orders.

23. As at 30 June 2018, the Appeals Chamber continued to be seized of appeal proceedings in the *Karadžić* case, in which the International Tribunal for the Former Yugoslavia issued a trial judgment on 24 March 2016. The Appeals Chamber granted in part requests for extensions of time for the briefing, totalling 217 days of extensions. The briefing process concluded on 6 April 2017 and the appeals were heard on 23 and 24 April 2018. The Appeals Chamber held in-person deliberations following the hearing, and judgment drafting is in progress. During the reporting period, the Appeals Chamber issued 37 decisions or orders in relation to that case.

24. The Appeals Chamber is also seized of appeal proceedings in the *Mladić* case, in which the International Tribunal for the Former Yugoslavia issued a trial judgment on 22 November 2017. The briefing process is underway. During the pre-appeal proceedings in the reporting period, the Appeals Chamber issued 20 decisions or orders in relation to the case, which is being prepared for a hearing of the appeals.

25. On 19 June 2017, the Appeals Chamber granted the request for review filed by Augustin Ngirabatware and ordered the parties to file a list of proposed evidence and witnesses to be introduced at a review hearing. On 19 December 2017, the Appeals Chamber authorized the replacement of Ngirabatware's counsel in view of a conflict of interest. Following the replacement of counsel, the pre-review judge ordered Ngirabatware and the Prosecution to file by the end of June 2018 a list of anticipated witnesses and evidence to be heard at a forthcoming review hearing. The hearing is expected to occur in the second half of 2018. During the reporting period, the Appeals Chamber issued 25 decisions or orders related to the case.

26. The Appeals Chamber also considered a variety of matters during the reporting period relating to requests for review and protective measures. As at 30 June 2018, the Appeals Chamber remained seized of, among other things, an appeal filed by the *amicus curiae* prosecutor of a decision by a single judge to refer the contempt case of *Petar Jojić and Vjerica Radeta* to Serbia.

IV. Activities of the Office of the Prosecutor[2]

A. Introduction

27. During the reporting period, the Office of the Prosecutor continued to focus on three priorities: (a) the expeditious completion of trials and appeals; (b) locating and arresting the remaining fugitives indicted by the International Criminal Tribunal for Rwanda; and (c) assisting national jurisdictions in prosecuting international crimes committed in the former Yugoslavia and Rwanda.

[2] The present section reflects the views of the Prosecutor of the Mechanism.

28. In managing its work, the Office is guided by the views and requests of the Security Council as set forth in, among other places, paragraphs 18, 19 and 20 of its resolution 2256 (2015). The Office continued to implement the "one office" policy to further streamline operations and reduce costs by effectively integrating staff and resources across both branches. The Office also completed the coordinated transition of other functions from the Office of the Prosecutor of the International Tribunal for the Former Yugoslavia.

B. Trials and appeals

29. During the reporting period, the Office of the Prosecutor took all steps under its control to expedite the completion of the final proceedings transferred from the International Tribunal for the Former Yugoslavia pursuant to the statute of the Mechanism and the transitional arrangements (Security Council resolution 1966 (2010), annexes 1 and 2), namely one trial (*Stanišić and Simatović*) and three appeals proceedings (*Karadžić*, *Mladić*, and *Šešelj*).

30. On 15 December 2015, the Appeals Chamber of the International Tribunal for the Former Yugoslavia reversed the trial judgment in the *Stanišić and Simatović* case and ordered the case to be retried on all counts. Trial proceedings in that case commenced on 13 June 2017. Since the beginning of its case-in-chief, the Prosecution has led the evidence of 39 witnesses in court, all but two of whom were cross-examined by the Defence. To expedite the proceedings, the Prosecution tendered the written evidence of 46 witnesses, all of which was admitted. The Prosecution anticipates that it will conclude the presentation of its evidence later in 2018.

31. On 24 March 2016, the Trial Chamber of the International Tribunal for the Former Yugoslavia convicted Radovan Karadžić of genocide, crimes against humanity and war crimes and sentenced him to a term of imprisonment of 40 years. During the reporting period, the Office presented its oral appeal arguments during a hearing held on 23 and 24 April 2018. The Prosecution provided its responses to Karadžić's grounds of appeal, and further provided its arguments and replies in relation to the four grounds of appeal.

32. On 31 March 2016, a Trial Chamber of the International Tribunal for the Former Yugoslavia acquitted Vojislav Šešelj on all counts of the indictment. On 11 April 2018, the Appeals Chamber of the Mechanism granted in part the Prosecution's appeal and convicted Šešelj for instigating persecution, deportation and other inhumane acts as crimes against humanity and for committing persecution as a crime against humanity. Šešelj was sentenced to 10 years of imprisonment. The Appeals Chamber declared that the sentence had been served in view of Šešelj's time spent in provisional detention.

33. On 22 November 2017, a Trial Chamber of the International Tribunal for the Former Yugoslavia unanimously convicted Ratko Mladić of genocide, terror, persecution, extermination, murder, unlawful attacks on civilians, deportation, inhumane acts and hostage-taking, and sentenced him to life imprisonment. The Trial Chamber found Mladić responsible for participating in four joint criminal enterprises to commit genocide, crimes against humanity and/or war crimes and, accordingly, convicted him for the crimes committed in furtherance of those criminal enterprises. First, the so-called "overarching joint criminal enterprise", which existed between 1991 and November 1995, had the objective of permanently removing Bosnian Muslims and Bosnian Croats from Bosnian Serb-claimed territory through the commission of crimes in municipalities throughout Bosnia and Herzegovina. Second, the so-called "Sarajevo joint criminal enterprise", which existed between May 1992 and November 1995, aimed to spread terror among the civilian population of Sarajevo

through a campaign of sniping and shelling. Third, the so-called "hostage-taking joint criminal enterprise", which existed between 25 May and 24 June 1995, had the common purpose of taking United Nations personnel hostage to compel the North Atlantic Treaty Organization to abstain from conducting air strikes against Bosnian Serb targets. Fourth, the so-called "Srebrenica joint criminal enterprise", which existed in 1995, had the objective of destroying the Bosnian Muslims in Srebrenica by killing the men and boys and forcibly removing the women, young children and some elderly men.

34. On 22 March 2018, the Office of the Prosecutor filed its notice of appeal against the trial judgment, identifying two grounds of appeal. On the same date, the Defence also filed its notice of appeal, which sets out nine grounds of appeal. The Office is now preparing its written appeal brief, due on 6 August 2018, which will be followed by its response brief, due on 14 November 2018, and its reply brief.

C. Fugitives

35. As at the end of the reporting period, eight fugitives indicted by the International Criminal Tribunal for Rwanda remained at large. The Office of the Prosecutor of the Mechanism continued its efforts to locate and arrest the three fugitives whose cases would be tried by the Mechanism: Félicien Kabuga, Protais Mpiranya and Augustin Bizimana. The Office also continued to search for information on the whereabouts of the five fugitives who were expected to be brought to trial in Rwanda following their arrest: Fulgence Kayishema, Charles Sikubwabo, Aloys Ndimbati, Ryandikayo and Phénéas Munyarugarama.

36. During the reporting period, valuable new intelligence and leads were generated through the Office's tracking activities and the regular cooperation of participants in the European and African Task Forces. That is allowing the Office to develop a clearer picture of the strategies that the fugitives have put in place, including the use of support networks and seeking the protection of influential persons.

37. The Office reiterates that, under the War Crimes Rewards Programme of the Government of the United States of America, individuals (not including government officials) who provide information leading to the arrest of a fugitive may be eligible for a monetary reward of up to $5 million. The Office recalls that Member States are obligated by international law to cooperate in the search for the fugitives and encourages them to further strengthen their assistance to that vital work.

D. Assistance to national jurisdictions

38. National prosecutions are now essential to achieving greater justice for the victims of war crimes, crimes against humanity and genocide committed in the former Yugoslavia and Rwanda. In line with the completion strategies of the Tribunals, Security Council resolutions 1966 (2010) and 2256 (2015), and the statute of the Mechanism, the Office of the Prosecutor is mandated to assist and support effective national prosecutions of those crimes. In the affected countries, the effective prosecution of the crimes committed is fundamental to building and sustaining the rule of law, establishing the truth of what occurred and promoting reconciliation. Third-party States are also undertaking prosecutions against suspects who are present in their territories for crimes committed in Rwanda and the former Yugoslavia.

39. During the reporting period, in relation to Rwanda, the Office received and processed two requests for assistance from two Member States. In total, the Office handed over 9,589 pages of documentation. In relation to the former Yugoslavia, the

Office received 402 requests for assistance from six Member States and three international organizations. Some 309 requests for assistance were submitted by authorities in Bosnia and Herzegovina, 38 by Croatia, 2 by Montenegro and 27 by Serbia. In total, the Office handed over 12,068 documents, comprising more than 300,000 pages, and 347 audio and video files. In addition, the Office filed submissions in relation to 13 applications for variation of witness protective measures, all of which concerned proceedings in Bosnia and Herzegovina. The Office also filed submissions in relation to eight applications for information regarding applicable witness protective measures, all of which concerned proceedings in Bosnia and Herzegovina.

E. Capacity-building

40. During the reporting period, the Office of the Prosecutor continued its efforts, within existing resources, to build capacity in national judiciaries to prosecute war crimes. The Office's capacity-building efforts focused on East Africa and the countries of the former Yugoslavia. Strengthening national capacities supports the continued implementation of the completion strategies of the Tribunals and further promotes the principle of complementarity and national ownership of post-conflict accountability.

41. The Office focused its capacity-building efforts in particular on strengthening peer-to-peer engagement with criminal justice professionals from around the world on the topic of prosecuting conflict-related sexual violence. Those activities build upon the book entitled "Prosecuting Conflict-Related Sexual Violence at the ICTY", which was produced by the International Tribunal for the Former Yugoslavia and serves as an important component of that Tribunal's legacy. The programmes were organized under the auspices of the Prosecuting Conflict-related Sexual Violence Network, set up through the International Association of Prosecutors and supported by the Office of the Prosecutor of the International Tribunal for the Former Yugoslavia and the Office of the Prosecutor of the Mechanism.

42. In February 2018, the Office of the Prosecutor conducted an advanced training course in Dakar on investigating and prosecuting international crimes in Central and West Africa. Thirty prosecutors and investigative judges from the Central African Republic, Côte d'Ivoire, Guinea, Mali, the Niger and Senegal participated in the training, which was very well received. A follow-up course in Abidjan, Côte d'Ivoire, is planned for February 2019.

43. In March 2018, in cooperation with the Mission to Bosnia and Herzegovina of the Organization for Security and Co-operation in Europe, the Office of the Prosecutor conducted specialized two-day training courses in Banja Luka and Sarajevo on the use of the Electronic Disclosure Suite for accessing material in the Office's evidence collection. The courses were attended by approximately 50 legal associates and investigators from prosecutors' offices and police investigators working on war crimes cases in Bosnia and Herzegovina.

44. The Ministry of Justice, the Office of the War Crimes Prosecutor and the Judicial Academy of the Republic of Serbia have requested the Office of the Prosecutor of the Mechanism to provide war crimes training to members of the Serbian judicial system. Among other topics, the Office intends to provide training on prosecuting conflict-related sexual violence crimes, using its publication "Prosecuting Conflict-Related Sexual Violence at the ICTY", which has been translated into Bosnian/Croatian/Serbian.

V. Activities of the Registry

45. During the reporting period, the Registry continued to provide administrative, legal, policy and diplomatic support to Mechanism operations.

A. Budget, administration, staffing and facilities

46. In December 2017, by its resolution 72/258, the General Assembly approved a commitment authority amounting to $87,796,600 gross for the maintenance of the Mechanism for one year, in lieu of a biennial budget. In the light of that decision, the Mechanism has developed and is implementing an expenditure reduction plan, with significant cuts in both post and non-post resources, with the great majority of reductions at The Hague branch.

47. The resulting budgetary constraints have left the Mechanism with skeletal staffing levels in many areas, exposing the Mechanism to operational risks and having a negative impact on its ability to perform its mandated activities smoothly and efficiently. Thus, for example, reductions in security and in language support services staff impact the Mechanism's ability to hold more than one proceeding a day and to sit for extended hours, if needed, absent significant advance notice. The reductions being undertaken also require the Mechanism to postpone a variety of planned activities. To achieve further savings, the Mechanism reduced evening and weekend staff access to the premises, reconfigured the housing of staff at The Hague premises to reduce the number of floors in use (thereby saving on the costs of utilities and services), and limited enhancements to the premises to those strictly necessary to respond to security or health and safety concerns.

48. In March 2018, the Mechanism submitted a revised and significantly reduced budget proposal for the biennium 2018–2019. In early July 2018, following the end of the reporting period, the General Assembly, by its resolution 72/258 B, decided to appropriate to the Special Account for the Mechanism a total of $196,024,100 gross for the biennium.

49. During the reporting period, the Mechanism completed the development of a small, self-standing administration. That process was in step with the closure of the International Criminal Tribunal for Rwanda at the end of 2015 and the closure of the International Tribunal for the Former Yugoslavia at the end of 2017. Until the end of 2017, significant administrative support had been provided to the Mechanism by the International Tribunal for the Former Yugoslavia as part of the double-hatting of personnel and cost-sharing arrangements, which had allowed savings and economies of scale. Since January 2018, and for the first time since its inception, the Mechanism has been carrying out its responsibilities without such support. In addition, with regard to both Tribunals, the Mechanism performed residual liquidation activities that had not been completed by the Tribunals.

50. As at 30 June 2018, the Mechanism had a total of 515 staff (on posts and in general temporary assistance positions): 161 at the Arusha branch, including the Kigali sub-office, and 354 at The Hague branch, including the Sarajevo sub-office. The Mechanism's staff comprised nationals of 72 States. Of the staff at the Professional level and above, 58 per cent were women and 42 per cent men, surpassing the Secretary-General's gender parity goals. Approximately 86 per cent of staff were former staff members of the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia.

51. The new premises of the Arusha branch have been in use since 5 December 2016. As part of the post-construction phase, the Mechanism made significant

progress in completing required remedial work and achieved final completion of the project. Particular attention has been devoted to correcting technical defects in the facility built to host the archives of the International Criminal Tribunal for Rwanda. During the reporting period, the Mechanism also continued to assess contractual remedies for the recovery of direct and indirect costs in relation to the project arising from delays and necessary remediation where economically feasible. The Mechanism remains deeply grateful to the United Republic of Tanzania for its steadfast support for the completion of the project and to the Secretariat for its ongoing advice.

52. The Hague branch of the Mechanism and the International Tribunal for the Former Yugoslavia shared premises until the closure of the Tribunal on 31 December 2017. The lease held by the International Tribunal for the Former Yugoslavia was transferred to the Mechanism and negotiations regarding the consolidation of occupancy into a portion of the building are ongoing, given the Mechanism's strong preference to remain at its current premises for reasons of efficiency. The Belgrade sub-office was closed on 22 December 2017, and operations have been consolidated and streamlined with the support of staff in The Hague and in the Sarajevo sub-office, which is the only remaining sub-office in the region.

B. Support for judicial activities

53. The Registry continued to provide support to the Mechanism's judicial activities at both branches throughout the reporting period, despite facing significant reductions in its resources.

54. The Registry processed and disseminated more than 2,132 judicial filings, amounting to more than 22,298 pages. In addition, it facilitated and serviced hearings in the *Stanišić and Simatović* retrial, and supported the *Karadžić*, *Mladić* and *Šešelj* appeal proceedings.

55. The Registry's Language Support Services continued to provide translations of judgments and other documents into Bosnian/Croatian/Serbian, English, French, Kinyarwanda and other languages, as required, as well as conference and consecutive interpretation.

56. The Registry provided assistance, financial and otherwise, to an average of 45 defence teams comprising approximately 100 defence team members. The Registry also expanded the list of qualified counsel who can be assigned to suspects or accused persons under rule 43 (B) of the Rules of Procedure and Evidence, as well as the roster of duty counsel under rule 43 (C) who are available to be assigned to an accused person for the purposes of an initial appearance. In addition, the Registry facilitated and further formalized the process for the recognition of pro bono counsel for convicted persons. The Registry also created a roster for qualified *amicus curiae* prosecutors and investigators available to be appointed in contempt and false testimony proceedings.

57. Pursuant to article 15 (4) of the statute, and consistent with the Mechanism's commitment to efficiency, the Registry continued to maintain rosters of qualified potential staff to ensure that it was prepared to support a trial or appeal in the event of a fugitive being apprehended or an ongoing proceeding resulting in an appeal or retrial.

C. Support for other mandated activities

1. Witness support and protection

58. The Mechanism is responsible for the essential residual function of witness support and protection in relation to thousands of witnesses who have testified in cases completed by the two Tribunals, as well as those witnesses who have appeared or may appear before the Mechanism.

59. Consistent with judicial protection orders and in close collaboration with national authorities or other United Nations entities, the Witness Support and Protection Unit provides security to witnesses by undertaking threat assessments and coordinating responses to security-related requirements. During the reporting period, the Unit also ensured that protected witness information remained confidential, and it continued to contact witnesses regarding the rescission, variation or augmentation of witness protective measures. The Registry implemented 64 judicial orders related to protected witnesses and, at The Hague branch, supported witness activity in the retrial of the *Stanišić and Simatović* case, including by facilitating the appearance of 46 witnesses by June 2018. At the Arusha branch, the Registry made the necessary administrative and logistical arrangements for witness activity related to the hearing in the *Ngirabatware* review case, which is expected to be held in September 2018.

60. As part of the provision of support services to witnesses at the Arusha branch, witnesses continue to receive medical and psychosocial assistance. That assistance is particularly focused on witnesses who were victims of sexual or gender-based violence during the Rwandan genocide.

61. Finally, the witness protection teams at the two branches continue to exchange best practices and use a common information technology platform for their respective witness databases to maximize operational efficiency.

2. Archives and records management

62. With the completion of the transfer of the records of the International Tribunal for the Former Yugoslavia in December 2017, the Mechanism Archives and Records Section is currently responsible for the management of 5,000 linear metres of physical records and approximately 2 petabytes of digital records generated by the two Tribunals.

63. During the reporting period, the Mechanism commenced the ingest of digital records into its digital preservation system. Thus far, 1,100 GB of digital records, including 70,000 files in a variety of formats, have been ingested. The Mechanism Archives and Records Section also completed a preservation assessment survey of the physical records of the International Tribunal for the Former Yugoslavia and initiated a project to repackage maps and artefacts from the Tribunal's judicial archives in accordance with archival standards. In addition, all paper-based records managed by the Arusha branch were relocated to the purpose-built repository in the Lakilaki facility.

64. The Mechanism continued to update the public interfaces to access and search the judicial records of the two Tribunals and the Mechanism which, as at 30 June 2018, contained over 350,000 judicial records, including 12,000 hours of audiovisual recordings. Those records were accessed by more than 20,000 users worldwide during the reporting period.

65. On 27 October 2017, the Mechanism joined in the celebrations of the World Day for Audiovisual Heritage by releasing an introductory video on the audiovisual archives of the Tribunals. In January 2018, the Mechanism Archives and Records

Section launched a standing exhibition at both branches marking the twenty-fifth anniversary of the founding of the International Tribunal for the Former Yugoslavia, and in June 2018, the Section hosted a meeting in The Hague for information managers from international organizations.

66. The Section continues to develop the Mechanism's records and archives governance structure and to support record-keeping practices through the provision of training and advice to Mechanism staff and the administration of the Mechanism's records management system.

3. Enforcement of sentences

67. As at 30 June 2018, the Mechanism was overseeing the enforcement of the sentences of a total of 47 individuals: 30 persons convicted by the International Criminal Tribunal for Rwanda, who were serving their sentences in three States; and 17 persons convicted by the International Tribunal for the Former Yugoslavia, who were serving their sentences in 10 States.

68. During the reporting period, the Mechanism transferred nine persons to enforcement States to serve their sentences. In December 2017, the Mechanism began to oversee the enforcement of sentences in Senegal, with the transfer of four convicted persons from the United Nations Detention Facility in Arusha. In February 2018, an additional four convicted persons were transferred from Arusha to Benin. In June 2018, one person convicted by the International Tribunal for the Former Yugoslavia was transferred to Austria. Therefore, two convicted persons remain at the United Nations Detention Facility in Arusha and five convicted persons remain at the United Nations Detention Unit in The Hague awaiting transfer to an enforcement State. The Mechanism is grateful to Member States that are enforcing sentences and to those that are considering enforcing sentences in the future.

69. The Mechanism continued to closely monitor the security situation in Mali and received advice and reports from the Department of Safety and Security of the Secretariat and the designated security official in Mali, where 12 convicted persons are serving their sentences under the supervision of the Mechanism.

4. Assistance to national jurisdictions

70. The Registry facilitated a significant number of requests by national authorities, or parties to national proceedings, for assistance in connection with national proceedings related to the genocide in Rwanda or the conflicts in the former Yugoslavia. During the reporting period, the Registry processed 188 requests for assistance, including requests to question protected witnesses; to rescind, vary or augment protective measures for witnesses; and to retrieve and transmit confidential and certified material to national authorities.

5. Relocation of acquitted and released persons

71. The Mechanism has continued to deploy focused efforts, including bilateral engagement with potential receiving States and assistance in private relocation efforts, to facilitate sustainable solutions for the resettlement of acquitted and released persons and to provide those still residing in Arusha with relevant assistance. The passing of one of those individuals reduced the number of acquitted and released persons in Arusha to 10. The agreements on the enforcement of sentences with Benin and Mali, as well as the agreement with Senegal, contain specific provisions on the facilitation of the temporary stay of persons released following the completion of their sentences. The Mechanism is grateful to the States concerned and remains appreciative of the ongoing support of the international community in seeking a resolution to that serious problem.

6. Monitoring of referred cases

72. Pursuant to article 6 (5) of its statute, during the reporting period the Mechanism continued to monitor three cases referred to Rwanda through monitors from the Kenyan Section of the International Commission of Jurists. In the *Ntaganzwa* case, trial proceedings are ongoing, while the *Uwinkindi* and *Munyagishari* cases are on appeal. The Mechanism continued to work on establishing a similar monitoring arrangement for the two cases referred to France, which have been monitored by interim monitors from the International Tribunal for the Former Yugoslavia and subsequently the Mechanism. In the *Munyeshyaka* case, on 21 June 2018, the Investigative Chamber of the Paris Court of Appeals upheld the decision to dismiss the proceedings on the basis of insufficient charges. Several appeals have been filed against that decision to the Court of Cassation. The *Bucyibaruta* case continues to be at the investigative/pretrial phase.

7. External relations and information-sharing

73. The External Relations Office continued to raise the profile of the Mechanism and awareness of its mandate by engaging with the diplomatic community, the media, civil society, victims' groups and the public, including in Arusha, Dar es Salaam, The Hague and Sarajevo.

74. The Office facilitated the attendance of the media and the general public at the trial of the *Stanišić and Simatović* case, the appeal hearings in the *Karadžić* and *Šešelj* cases, as well as the public pronouncement of the appeal judgment in the latter case.

75. The Office organized a number of high-profile events, media campaigns and online exhibitions, and produced new public information material and informational videos in several languages. The Mechanism participated in the International Open Day in The Hague on 24 September 2017, with more than 900 individuals visiting its premises. In addition, the Office, in partnership with other Arusha-based international institutions, organized an inaugural International Organizations Open Day at the Mechanism's premises in Arusha on 25 November 2017, which was attended by more than 1,000 visitors. The Mechanism launched an online exhibition on children in conflict, using materials from the Tribunals' archives, as well as an online exhibit showcasing some of the evidence collected by the Office of the Prosecutor during investigations into crimes committed in Rwanda and the former Yugoslavia. Representatives of the Mechanism attended the inauguration of the Information Centre on the International Tribunal for the Former Yugoslavia in Sarajevo on 23 May 2018. The Mechanism is available to provide support to the Centre and other stakeholders in the former Yugoslavia who seek to establish similar information centres in the region.

76. The Mechanism also welcomed more than 5,500 visitors to its premises during the reporting period, including senior government officials such as the Minister of Justice of Rwanda, the Federal Minister for Foreign Affairs of Germany and the Permanent Secretary of the Ministry of Foreign Affairs and East African Cooperation of the United Republic of Tanzania, along with other high-level delegations, including from the Community Court of Justice of the Economic Community of West African States. In addition, the Mechanism continued to provide library services at both branches. The library at the Arusha branch is one of the premier resources for international law research in East Africa and offers an enhanced research environment for Mechanism staff and members of the public.

77. The External Relations Office continued to manage the Mechanism's website, social media accounts and the legacy websites of the Tribunals. During the reporting period, the Mechanism's website was visited over 297,000 times, an increase of over

91 per cent from the previous reporting period. New features have been added to the website, such as an expanded court calendar and selected judicial filings, offering an improved overview of the Mechanism's judicial activity and easier access to its jurisprudence.

VI. Conclusion

78. As reflected in the evaluation report issued by OIOS in March 2018, the Mechanism has made significant progress towards establishing itself as a small, temporary and efficient structure, whose functions and size will diminish over time, with the capacity to respond to varying workloads and balance immediate demands against longer-term priorities. OIOS also recognized that, while the Mechanism is mindful of its mandate to be a temporary entity, some of its functions continue to fulfil long-term needs.

79. The Mechanism's attention to fulfilling those long-term needs and its progress in completing its judicial and other work swiftly, while maintaining the highest of standards, underscore its commitment to the mandate entrusted to it by the Security Council. Even as the Mechanism continues to find itself in a period of intense judicial activity and to tackle challenges resulting from the nature of its work and the resource and operational constraints within which it functions, it will continue to focus on carrying out that mandate in accordance with best practices and in a timely, efficient and effective manner.

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Report of the Secretary-General

Summary

Pursuant to General Assembly resolutions 3201 (S-VI) and 3202 (S-VI), the present report provides an updated overview of the major international economic and policy challenges for equitable and inclusive sustained economic growth and sustainable development and highlights the role of the United Nations in addressing these issues in the context of the New International Economic Order. Based on information provided in voluntary national reviews at the annual high-level political forum on sustainable development, the present report provides an assessment of the progress made and challenges faced in achieving inclusive and equitable economic growth and sustainable development. It finds that significant progress was made towards many of the Sustainable Development Goals during 2016–2017. However, the near-term prospects of the world economy, against the backdrop of prevailing uncertainties in international trade, monetary policy adjustments and financial market conditions, pose a risk to equitable and sustained economic growth. Slow progress in combating climate change and improving environmental sustainability, underpinned by inadequate financing gaps, presents additional challenges to sustainable development. The report identifies the immense potential of new technologies for many economic, social and environmental challenges and underscores the need for greater national efforts and international cooperation, as envisaged in the Declaration on the Establishment of a New International Economic Order, to facilitate technology transfers and bridge the persistent technological divide between developed and developing countries. In the report, the United Nations is called upon to extend its role in supporting the responsible use of new technologies in the achievement of sustainable development objectives, anchored in broadly accepted values as enshrined in the Charter of the United Nations, the Universal Declaration of Human Rights and internationally agreed development goals.

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I. Introduction

1. The ideas and proposals for action for a New International Economic Order, set out in May 1974 in the Declaration on the Establishment of a New International Economic Order (resolution 3201 (S-VI)) and the Programme of Action on the Establishment of a New International Economic Order (resolution 3202 (S-VI)), have acquired additional relevance at present in the context of the rapid pace of technological change, which is fundamentally transforming economies and societies around the world. Those ideas and proposals bring to the fore the existence of a large and persistent technological and development divide between developed and developing countries; challenges in technological transfer and industrialization for developing countries; the issue of the sustainable use of natural resources; and deteriorating conditions of trade and labour migration. These are precisely the issues that were emphasized in the Declaration and Programme of Action. In those documents, the United Nations pledged to address inequities in the international system, eliminate income and technological gaps between developed and developing countries, ensure steadily accelerating economic and social development and secure peace and justice for the present and future generations.

2. Adhering to the spirit and principles of the Declaration will help to achieve the important agendas that the world community adopted in 2015, including the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, the 2030 Agenda for Sustainable Development and the Paris Agreement. The role of technology is recognized in those global accords, underscoring its critical importance in harnessing sustainable development outcomes, in the spirit of a New International Economic Order envisaged more than 40 years ago.

3. Adherence to the principles of the New International Economic Order can also help to mitigate risks to sustained economic growth arising from recent changes in global policy landscapes. The New International Economic Order is aimed at ensuring stability through measures that contain inflation and eliminate instability of the international monetary system, particularly uncertainties in exchange rates (resolution 3202 (S-VI), sect. II (1) (a) and (b)), so that developing countries can achieve sustained economic growth. Although the global economy has strengthened in the two years since the issuance of the previous report on the New International Economic Order (A/71/168), there are growing risks of trade disputes between major economies with large global spillovers, uncertainty about monetary policies, the possibility of out-of-control fiscal deficits and potential debt crises. The prospect of sustained growth is currently more uncertain than it was in the recent past, following a long-drawn-out recovery from the global financial crisis. The trade conflicts may further undermine progress towards the multilateral, rule-based and equitable global trade regime that was an important proposition of the New International Economic Order. The international cooperation that was envisaged in the Order can help to avert uncertainties and return the world economy on the path to sustained growth.

4. The New International Economic Order provides a framework for addressing inequities and injustices in the international regime and promoting inclusive and equitable growth. Since the issuance in 2016 of the previous report on the New International Economic Order, many developing countries have demonstrated progress in addressing economic and social inequalities. Most countries that submitted voluntary national reviews on the Sustainable Development Goals for the high-level political forum on sustainable development reported progress in reducing poverty, raising life expectancy, reducing child mortality and achieving gender parity in education. However, large budget deficits and constraints on expansionary fiscal policies are likely to weaken social protection and skew income distribution towards

high-income groups, putting at risk further progress towards inclusive and equitable economic growth.

5. The vision of the New International Economic Order regarding South-South cooperation and its rising importance has proved to be prescient. Many developing countries have achieved significant progress in infrastructure development in recent years. This has been possible to a large extent through South-South cooperation. In particular, the Belt and Road Initiative of China has the potential to serve as an important catalyst for boosts in infrastructure investments not only in developing countries in Asia, Africa and Latin America but also in some countries in Europe. South-South cooperation is emerging as an important conduit for facilitating technology transfers among developing countries.

6. The ideas of the New International Economic Order can be helpful in achieving the environmental goals of the 2030 Agenda and in particular the Paris Agreement. The Declaration and Programme of Action stressed the need to refrain from damaging or deteriorating natural resources by preventing pollution (Programme of Action, sect. I (2) (d)); to put an end to the waste of natural resources, including food products (Declaration, para. 4 (q)); and to take measures to expand the markets for natural products in relation to synthetics and utilize fully the ecological advantages of natural products (Programme of Action, sect. I (1) (f)). The New International Economic Order also advocated what is currently called the "nexus approach" to food production and the conservation of land and water resources, including arresting desertification and salination (Programme of Action, sect. I (2) (c)).

7. Those suggestions have gained more importance with time as environmental sustainability challenges have become more acute. This is evident in the case of climate change, which is the greatest environmental challenge. Preliminary estimates for 2017 indicate that carbon emissions have started to grow again, after experiencing some decline during 2014 and 2015. Stronger international cooperation, as envisaged in the New International Economic Order, can help to mobilize international collective actions to confront climate change effectively. The New International Economic Order proposition of replacing synthetic substitutes with natural products is particularly relevant to combating plastic pollution, which is the second most important threat to the environment.

8. The present report is organized as follows: the challenges to sustained economic growth are discussed in section II, the challenges to inclusive and equitable growth and social development in section III and the challenges to environmental sustainability in section IV. The relevance of the ideas of the New International Economic Order in the context of the rapid pace of technological change is discussed in section V, and the role of the United Nations is examined in section VI.

II. Challenges to sustained economic growth

9. The global economy has strengthened since the issuance of the previous report on the New International Economic Order. Growth in the volume of world trade accelerated in tandem with an improvement in macroeconomic conditions. The increased demand for imports at the global level pushed energy and metal prices upward and led to gains in terms of trade for energy- and metal-exporting countries. However, at present, the global economy is exposed to an increased likelihood of trade conflicts among major countries, increased uncertainty about the pace of monetary policy adjustments in the United States of America and high and increasing levels of external debt. The magnitude of the impact of those risk factors will depend not only on the reactions of the countries directly involved but also on the global

spillovers. Developing countries, particularly vulnerable ones, could be seriously affected in the absence of adequate safeguards and mitigation measures.

A. The global economy has strengthened but downside risks are emerging[1]

10. In the previous report on the New International Economic Order, it was forecast that gross world product would expand by just 2.4 per cent in 2016 and "feeble investment [would] continue to weigh on the global growth potential in 2017 and beyond". Against that forecast, the global economy grew by 2.5 per cent in 2016 and is estimated to have grown by 3.1 per cent in 2017. Towards the end of 2016, crisis-related fragilities that had been continuing since 2008 finally subsided and global economic activities experienced a modest pickup, which extended into 2017. The strong recovery in investment activities, particularly in developed countries and in East Asia, was a key determining factor. The stronger economic activity, however, was not shared evenly among countries and regions: the recovery was limited to a narrow set of countries in East and South Asia. Economic conditions remained challenging for many commodity-exporting countries in Africa, Western Asia and parts of South America, underscoring those countries' vulnerability to boom and bust cycles of commodity prices — a challenge for exporters of primary commodities that was highlighted in the Programme of Action in 1974.

11. The relatively robust growth prospects are expected to continue in 2018 and 2019, expanding at a rate of 3.2 per cent in both years. The prospects are based on broadly favourable investment conditions, strengthening wage growth and the short-term impact of the fiscal stimulus package in the United States, implemented in December 2017. The major risk factor to the global economy as of mid-2018 is increasing levels of debt and rising asset prices, because of the "releveraging" after a long period of "deleveraging", following the global financial crisis. While increasing debt financing alone is not a risk factor, the fast pace of debt accumulation would make the global economy vulnerable to a sudden decline in the value of assets.

12. Growth in the least developed countries is estimated to be 5.2 per cent in 2018 and 5.5 per cent in 2019, continuing a steady growth acceleration since 2015.[2] Their gross domestic product (GDP) per capita is also forecast to rise, but the pace of increase is not sufficient to eradicate extreme poverty by 2030, as envisaged in the Sustainable Development Goals. The global economic upturn largely bypassed Central and Southern Africa, where GDP per capita is forecast to increase only marginally during 2018 and 2019.

B. Trade and commodity prices

13. The ongoing strong economic recovery pushed up energy and metal prices. The price of Brent crude oil averaged $68 per barrel in the first four months of 2018, compared with $54 per barrel in 2017. Metal prices are forecast to recover in 2018, driven largely by robust industrial production, particularly in China. Agricultural commodity prices are projected to remain stable, while localized price spikes in parts of Western Asia and Africa remain likely, owing to drought and conflict.

[1] The present section is based largely on *World Economic Situation and Prospects 2018* (United Nations publication, Sales No. E.18.II.C.2) and *World Economic Situation and Prospects 2018: Update as of Mid-2018* (United Nations publication, forthcoming).

[2] Yemen is likely to face a deteriorating situation due to the ongoing political uncertainties.

14. The volume of world merchandise trade grew by 4.3 per cent in 2017 and is forecast to further strengthen in 2018, reflecting a strong global economic recovery. During the first quarter of 2018, all regions contributed to the increase in global demand for imports for the first time since 2010. This was driven by the recovery in investment activities in both developed countries and countries in East Asia, particularly China. Growth in global trade is forecast to moderate slightly in 2018 and 2019.

15. Despite those positive developments, greater uncertainties loom large in international trade because of dramatic shifts in trade policies by major economies. The Government of the United States began a sweeping review of existing trade agreements in 2017 and has since proposed a series of protective or safeguard measures, citing imbalances in bilateral trade or market access and invoking national security concerns. In 2018, the Government imposed new tariffs on a range of manufactured goods, including steel, aluminium, washing machines and solar panel cells, in addition to more than 1,000 products from China. In response to those measures, major trading partners, such as Canada, China, Mexico and the European Union, are implementing or considering appropriate retaliatory measures and seeking solutions to the disputes at the World Trade Organization.

16. The situation remains in flux, and uncertainty and risks with regard to a fluid trade policy landscape could dampen investment. Prolonged weakness in trade and investment activity will undermine the growth prospects of the global economy, including of many developing countries, through the complex global and regional production and service networks.

C. Official development assistance and international financial flows

17. Domestic public resources are considered one of the most important sources for financing sustainable development. Official development assistance (ODA) can help to strengthen and scale up domestic resource mobilization. In 2017, net ODA provided by members of the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD) stood at $146.6 billion, or 0.31 per cent of gross national income (GNI) of the members of the Committee. This represents a drop of $800 million compared with 2016, the first year-to-year fall since 2011–2012. The fall was due to an 11 per cent reduction in donors' spending on refugees inside their own borders because of the reduced intensity of the refugee crisis. When the within-country spending on refugees was excluded, ODA provided to developing countries increased by $989 million (or 1.1 per cent) from 2016 in real terms. Nonetheless, ODA from donors continues to remain far below the United Nations target of 0.7 per cent of GNI. Only five donors met the target in 2017, down from six countries in 2016.

18. Net ODA provided to the least developed countries is estimated to have risen slightly to around $25.3 billion in 2017 from $25.0 billion in 2016 in real terms. This reverses the declining trend in recent years, but the 2017 figure is still likely to be more than $5 billion lower than in 2012, which was the peak year. Members of the OECD Development Assistance Committee provided 0.08 per cent of their GNI to the least developed countries in 2015,[3] well below the United Nations target to allocate 0.15 to 0.20 per cent of GNI.

19. The prolonged fallout from the global financial crisis has largely subsided. In 2017, global financial markets witnessed a sharp upward trend in leveraging, buoyed by the historically high stock prices in developed countries and some emerging

[3] OECD, *Development Cooperation Report 2017: Data for Development* (Paris, 2017).

economies and the low volatility in equity and bond markets. For some countries, the favourable financial conditions translated into significant increases in issuance of debt security, merger and acquisition activity and rising corporate buy-backs. All those activities have been associated with an increase in financial asset valuation and a rise in external debt levels across regions.

20. Several risks loom large in international finance. In the midst of a fast-paced releveraging process, monetary policy adjustments (often called the normalization process) in developed countries, particularly in the United States, have been largely gradual. However, the fiscal stimulus measures introduced by the Government of the United States in December 2017, together with potential upward pressure on inflation from protective and safeguard trade measures, have increased the likelihood of a quicker tightening of monetary policy stance. The prospects of tighter liquidity conditions and of a faster pace of monetary tightening are likely to increase borrowing costs and put downward pressures on the exchange rates of many emerging economies, potentially undermining their short- and medium-term economic prospects.

21. A few emerging economies are already facing this challenge. In the first five months of 2018, Argentina and Turkey witnessed their currencies depreciate by around 20 per cent against the dollar and are forecast to experience double-digit inflation in 2018. Their external debt levels have been rising and currently stand at around four times their foreign reserves. The monetary authorities in those countries have raised policy interest rates to stabilize domestic prices and preserve the value of their national currencies, at the expense of economic growth. In contrast, the countries in South-East Asia that experienced the Asian financial crisis in the late 1990s, particularly Malaysia and Thailand, have experienced appreciations of their national currencies against the dollar and relatively low levels of inflation. This is largely because they have kept low levels of external debt, a current account surplus and the fiscal balance in check.

22. The prospect of further tightening of financial conditions and unexpected spikes in risk aversion among investors could affect the balance sheets of banking and corporate sectors and the capacity to roll over debt even for countries that have not been affected so far. The effect on real economic activity can be significant, through a rapid slowdown in investment, high inflation or fiscal adjustment measures. In the Programme of Action, it is recommended that "appropriate urgent measures, including international action, should be taken to mitigate adverse consequences for the current and future development of developing countries arising from the burden of external debt contracted on hard terms" (sect. II (2) (f)).

D. Policy challenges

23. The international community is currently facing challenges that have been caused largely by policies implemented in a few developed countries. The exceptional stimulus measures employed by the central banks in developed countries in the aftermath of the financial crisis in 2008–2009 created loose financial conditions at the global level. The normalization process of their monetary policy stances and the pace of adjustment, however, currently present a significant challenge to many developing and emerging economies that took advantage of the loose financial conditions in recent years. The prospect of escalating tensions among major trading nations presents a new challenge even for developing countries that are not part of the unfolding trade conflicts.

24. In the Declaration, Member States cautioned that a series of grave crises in the 1970s had had "severe repercussions, especially on the developing countries because

of their generally greater vulnerability to external economic impulses" (para. 2). The prosperity of the international community as a whole depends on the prosperity of its constituent parts, developed and developing countries alike. As stated in the Declaration, "international cooperation for development is the shared goal and common duty of all countries" (para. 3).

25. A further escalation in trade conflicts would severely undermine the rule-based multilateral trading system and reverse progress made since the adoption of the Declaration in 1974. The financial risks associated with ongoing monetary policy adjustments in developed countries could induce instability in the international monetary system, leading to exchange rate depreciation and unsustainable levels of external debt in many developing and emerging economies. Policymakers, particularly those in developed countries and a few large developing countries, must make coordinated efforts to make international trade and financial systems more stable and resilient to crisis.

III. Progress and challenges in achieving inclusive and equitable economic growth and social development

26. The present section provides a review of progress made since 2016 in achieving inclusive and equitable economic growth and social development goals and the challenges faced in this regard. It is based on information from the voluntary national reviews on the Sustainable Development Goals submitted by countries at the high-level political forum on sustainable development, complemented by data and information from other relevant sources.

A. Achievements

27. The voluntary national reviews indicate that many countries made progress towards the Sustainable Development Goals. As they were at the initial stage of implementation of the Goals, most countries directed much of their efforts to developing necessary institutional frameworks for achieving the Goals. For example, many countries created national coordination mechanisms and other high-level platforms to engage various stakeholders, including the Government, the private sector, civil society, non-governmental organizations, academia, youth and the international community. In the process, the countries have become national owners of the Goals and have integrated them into their national development plans and strategies.

28. A majority of the countries that submitted voluntary national reviews viewed inclusive and green growth as the main vehicle for creating employment and achieving various social goals. With a view to improving the quality of productive employment, countries are also making efforts to support social protection systems, research and development, science and technology, skills upgrading and the improvement of links between education and labour market demands, for example through business-led technical and vocational education and training. Countries are also paying increased attention to ensuring equal opportunities for decent employment for both women and men, indigenous populations, the elderly, the lesbian, gay, bisexual and transgender community and persons with disabilities, to ensure that no one is left behind.

29. While pursuing growth and employment, many countries are prioritizing and implementing policies to reduce income inequality. For example, Bolivia (Plurinational State of), Ecuador, El Salvador, Kyrgyzstan, Panama, the Republic of Moldova, Turkey and Ukraine continue to demonstrate declines in their Gini index of

inequality in income distribution. The reduction in income inequalities was complemented by a reduction in gaps in access to land, social services (e.g. education, water, sanitation, health care, public transportation) and knowledge-intensive technologies.

30. Most countries have also prioritized the eradication of hunger and extreme poverty. A few middle-income countries have recognized that there are pockets of large concentrations of people below the poverty line. They have therefore made special efforts to raise the standard of living of people belonging to the bottom 40 per cent of income distribution. The majority of developing countries that submitted voluntary national reviews have reported significant strides in reducing extreme poverty (measured as less than $1.90 per day) in 2016 and 2017. Prominent among them are Armenia, Colombia and Indonesia.

31. Many countries have raised their public expenditure on education. For example, Bolivia (Plurinational State of), Kyrgyzstan, the Republic of Moldova and Ukraine have increased education expenditure to 5–6 per cent of GNI. Similarly, many countries reported making significant progress in achieving gender parity in education. For example, in Bolivia (Plurinational State of), Ecuador, El Salvador, Kyrgyzstan, Panama, the Republic of Moldova, Turkey and Ukraine, the percentage of female students in secondary education was reported to have reached 48 per cent.

32. Similarly, health expenditure as a percentage of GDP increased in most of the reporting countries during 2016–2017. Albania, Armenia, Bangladesh, Belize, Brazil, Colombia, Costa Rica, El Salvador, Georgia, Jordan, Malaysia, Maldives, Mexico, Panama and Peru reported having made significant progress in reducing child and maternal mortality during 2016–2017. In many of those countries, 96 to 100 per cent of child births were assisted by a skilled health staff.[4] A few countries also paid particular attention to reducing the spread of various communicable and non-communicable diseases. However, maternal and child mortality remain high in many developing countries, pulling down the average life expectancy.

33. The rapid growth of urbanization and especially slums prompted many developing countries to commit to building sustainable cities. As a result, green cities and eco-cities have been built as pilot models of sustainable urban development. The building of compact housing, the increased use of renewable energy in industry, the improvement of public transportation and the promotion of green areas are a few examples in that direction. Sustainable urbanization is not possible without sustainable infrastructure, including energy infrastructure. Many countries therefore have prioritized building resilient infrastructure and ensuring wider access to affordable, reliable, sustainable and modern energy. They are also promoting economic diversification, innovation and inclusive green growth, based on eco-friendly technologies.

34. In view of the growing importance of new technologies, developing countries are making concerted efforts to narrow the technological divide with developed countries. In particular, they are trying to ensure wider access to electricity, the Internet and renewable energy technologies. Success in this regard, however, requires greater public investment in infrastructure building and human resource development. At least 50 per cent of the populations in Albania, Armenia, Brazil, Chile, Costa Rica, Egypt, Georgia, Jordan, Malaysia, Maldives and Panama currently have access to Internet services. Afghanistan, Bangladesh, Botswana, Ethiopia and Panama, for their part, have significantly improved access to electricity during the past two years.

[4] World Bank, World Development Indicators database. Available at http://databank.worldbank.org/data/source/world-development-indicators.

35. Most countries recognize that achieving the Sustainable Development Goals requires strengthening institutional, technological, agricultural, industrial and human capacities. Consequently, they have been improving administrative and management capacities, providing higher-quality education and focusing on science and technology and skill-building programmes. In addition, given the demand for new data and statistics for measuring and monitoring progress towards the Goals, all countries have been updating their statistical frameworks and capacities by prioritizing investment in good-quality data and statistics. The Statistics Division of the Department of Economic and Social Affairs plays a key role in providing technical guidance to countries.

B. Challenges

36. Despite the progress mentioned above, considerable challenges persist in achieving inclusive and equitable growth and the social development goals. For most developing countries, the challenges lie in finance, technology and capacity. Much of the financing of the Sustainable Development Goals is expected to come from the private sector, and yet large amounts of capital lie idle in the banking system and within corporate accounts. That capital can be tapped to finance inclusive, equitable and eco-friendly growth and infrastructure development projects in developing countries. Unfortunately, this is not being done to the extent necessary and desirable. Aligning incentives for private business with the priorities of sustainable development projects is proving more difficult than anticipated.

37. Meanwhile, a large amount of capital of developing countries, resulting from an accumulation of their current account surpluses, remains invested in low-yielding securities of developed countries. That implicit "flight of capital" from developing countries is providing low-cost financing to developed countries, rather than being used to finance growth and development in the developing countries themselves. Part of the problem lies in the weaknesses of the international financial system, which force developing countries to hold their reserves in semi-liquid form, investing in short-term securities of developed countries, as insurance against a run on their currencies and/or destabilization caused by a sudden outflow of capital. Overcoming the weaknesses of the current international financial system is therefore important for mobilizing the finances necessary for achieving the Sustainable Development Goals. The ideas of the New International Economic Order, which highlighted the inequities of the international financial system, can be helpful in this regard.

38. Developing countries are also faced with the challenge of containing capital flights — in the form of tax evasion, tax avoidance and illicit flows — from private sector entities. An important obstacle for many countries is finding ways to stop such capital flights and instead use the capital for investment at home, promoting inclusive and equitable growth. Overcoming that challenge requires both measures at home and international cooperation, as envisaged in the New International Economic Order.

39. Countries that are either in conflict or emerging from conflict face a particular set of challenges. Apart from resulting in the destruction of physical and human capital, such conflicts also discourage new capital formation. Ending conflicts and ensuring a smooth transition from conflict to peaceful nation-building is therefore a major challenge for achieving sustainable development.

IV. Progress and challenges in achieving environmental sustainability

40. Protecting the environment is a central focus of the development agenda adopted by the international community in 2015. Unfortunately, progress in this regard remains uneven and slow. This is particularly the case with regard to climate change, the most important threat to environmental sustainability.

41. The Paris Agreement calls for limiting the temperature increase to 1.5°C above pre-industrial levels. Achieving that goal requires a drastic and immediate reduction in the volume of emissions. However, preliminary estimates show that the volume of global emissions has increased in 2017, reversing the declining trend observed in 2014 and 2015.[5] In fact, 2016 was a historic year in several ways: it was the first year in which the atmospheric carbon concentration officially remained above the threshold of 400 parts per million, the red line marking the danger zone of climate change. The year 2016 was also the hottest on record, with temperatures about 1.1°C higher than pre-industrial levels.[6]

42. Nationally determined contributions are at the heart of the Paris Agreement. Such contributions include pledges by each country to reduce national emissions. However, the gap between the needed reductions and the national pledges made in the contributions is alarmingly wide. Current pledges cover only one third of the emission reductions needed to be on a least-cost pathway to stay below 2°C.[7]

43. Switching from fossil fuels to renewables is one of the main routes for reducing global emissions. Global investments in renewable energy increased by 2 per cent from 2016 to 2017, reaching $279.8 billion, with China alone accounting for $126.6 billion (45 per cent) and developed countries for $103.5 billion (37 per cent).[8] The rest of the world accounted for only 18 per cent. Those investments led to an addition of 157 GW of global renewable energy capacity, increasing the share of renewables in total electricity by 1.1 percentage points. Renewables accounted for over 70 per cent of all newly installed power generation capacity in 2017, with solar accounting for 38 per cent of the increase.[9] While those achievements are impressive, investment in renewables in 2017 was 13 per cent below the record set in 2015, and the share of renewables in total electricity generated in 2017 was only 12.1 per cent.

44. The global deployment of electric vehicles for road transport, an important technological breakthrough for reducing emissions, has grown rapidly in recent years. In 2016, the global stock of electric vehicles reached close to 2 million, with China having the largest share.[10] However, the net effect of electric vehicles on emissions depends to a large extent on the source of electricity used to charge the batteries. Unfortunately, in many countries electric vehicles are still powered by electricity generated from fossil fuels.[11]

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[5] Glen Peters and others, "Towards real-time verification of CO_2 emissions", *Nature Climate Change*, vol. 7, No. 12 (13 November 2017).

[6] World Meteorological Organization, "WMO confirms 2016 as hottest year on record, about 1.1°C above pre-industrial era", press release, 18 January 2017.

[7] United Nations Environment Programme (UNEP), *The Emissions Gap Report 2017* (Nairobi, 2017).

[8] Frankfurt School-UNEP Collaborating Centre and Bloomberg New Energy Finance, *Global Trends in Renewable Energy Investment 2018* (Frankfurt, 2018).

[9] Ibid.

[10] International Energy Agency, *Global EV Outlook 2017: Two Million and Counting* (Paris, June 2017).

[11] World Economic Forum, "The surprising truth behind the world's electric cars", 5 March 2018.

45. Progress in other key technologies to fight climate change remains rather limited. For example, improvements in carbon capture and storage or energy efficiency have slowed.[12] Energy intensity, measured by energy used per unit of GDP, decreased in 2017 by only 1.7 per cent, compared with a 2.0 per cent decrease in 2016. In order to achieve the relevant Sustainable Development Goal target, the energy intensity has to decrease in the coming years by an annual average of 3.2 per cent, which is almost double the reduction achieved in 2017.[13] The mitigation challenge is therefore formidable.

46. The Paris Agreement also focused on the challenge of adaptation, which is a more immediate and serious constraint for many developing countries. Recent studies predict that many low-income countries will experience not only higher levels of temperature increase but also greater variation in temperature, compared with developed countries.[14] Unfortunately, progress towards meeting the adaptation challenge has yet to meet expectations.

47. Article 9 of the Paris Agreement stipulates that developed countries shall provide financial resources — amounting to $100 billion per year by 2020 — to assist developing countries with their mitigation and adaptation efforts. It is notoriously difficult to measure climate finance accurately, and the lack of internationally agreed modalities to account for climate finance has given rise to different accounting practices. What is clear is that meeting the $100 billion target by 2020 remains far off. In a report entitled "Road map to US$ 100 billion", issued by a group of countries in 2016, public climate finance levels were estimated to have reached $41 billion per year in 2013–2014. In a more recent report, OECD estimates that bilateral climate-related development finance surpassed $30 billion in 2016.[15] So far, only around 20 per cent of climate finance from developed to developing countries is allocated for climate change adaptation.[16] Developing countries are experiencing a large financing gap in adaptation, which is projected to grow further as adaptation needs increase with rising climate impacts.[17]

48. The progress in mitigating plastic pollution is also less than satisfactory. Annual global plastic production increased from 1.7 million to 322 million metric tons between 1950 and 2015. Over that period, 6.8 billion metric tons of mostly non-biodegradable plastic waste was accumulated. Nearly 80 per cent of that waste has been deposited in landfills or in bodies of water, including lakes, seas and oceans. The total volume of plastic in the ocean is soon to exceed the total volume of all fish species.[18] Whales dying from ingestion of plastic debris are showing up on seashores more frequently. Plastic microbes are spreading to the air and entering the food chain in increasing order, posing a serious health risk for humans as well. Around the world, plastic waste is causing havoc to land, water and air. Unfortunately, awareness of the danger posed by plastic pollution is still not adequate. Developing countries are embracing plastic pollution, imitating unsustainable production and consumption

[12] International Energy Agency, *Tracking Clean Energy Progress 2017: Energy Technology Perspectives 2017 Excerpt — Informing Energy Sector Transformations* (2017).

[13] International Energy Agency and others, *Tracking SDG 7: The Energy Progress Report 2018* (Washington, D.C., World Bank, 2018).

[14] Sebastian Bathiany and others, "Climate models predict increasing temperature variability in poor countries", *Science Advances*, vol. 4, No. 5 (2 May 2018).

[15] OECD, "Climate-related development finance in 2016", December 2017.

[16] *World Economic and Social Survey 2016: Climate Change Resilience — An Opportunity for Reducing Inequalities* (United Nations publication, Sales No. E.16.II.C.1).

[17] UNEP, *The Adaptation Finance Gap Report* (Nairobi, 2016).

[18] *World Economic and Social Survey 2018: Frontier Technologies and Sustainable Development* (United Nations publication, forthcoming).

patterns observed in developed countries. The caution against plastic pollution set forth in the New International Economic Order was indeed prescient.

V. The New International Economic Order in the context of the rapid pace of technological change

49. Rapid advancements in technology have made the ideas, proposals and suggestions of the New International Economic Order even more relevant at present. In the Programme of Action, technology transfer is identified as one of the ways to close the technological and development divides. Among other things, the Programme includes efforts to be made to "give access on improved terms to modern technology" (sect. IV (b)) and to "expand significantly the assistance from developed to developing countries in research and development programmes" (sect. IV (c)). Those efforts are of renewed relevance at present, because the emergence of new technologies has made it an imperative to avoid further deepening of the technological divide and to take advantage of the leapfrogging opportunities that the new technologies are creating.

A. New technologies

50. The technological frontier continues to expand at a rapid pace, transforming economic activities and social interactions and raising new equity and ethical concerns. The forthcoming United Nations flagship report, entitled *World Economic and Social Survey 2018: Frontier Technologies and Sustainable Development*, highlights related challenges.

51. Considerable advancement has recently been seen in digital technologies — most salient among new technologies — as a result of the generation of massive volumes of data, increasingly advanced algorithms, higher computing power and improved data storage and transmission capacities. This has led to rapid advances in artificial intelligence and the ability of machines to perform routine tasks and autonomously solve increasingly complex problems that typically required advanced cognitive skills. This has profound implications for employment, the future of work and income distribution. In addition, advances in digital technologies often underlie innovations in the physical and biological arenas.

52. Physical technologies, such as 3D printing and new materials, have already started to reform major economic sectors, from manufacturing to health care. Advanced robots represent a combination of physical and digital innovations. Such applications are building on advances in digital technology, with artificial intelligence and the Internet of things creating the bridge between physical and digital technology. Advanced robots can complete a wide variety of tasks, becoming more adaptive and flexible and heralding new types of human-machine collaboration. New materials can help to reduce the use of natural resources by being stronger, lighter, more easily recyclable and more adaptive than more conventional materials. Graphene, an advanced nanomaterial, possesses unique and remarkable properties that could revolutionize energy storage or water desalination. New innovations in biodegradable and thermoset plastics could reduce the reliance on conventional plastic products and finally provide a way out from the conundrum, in which plastic was both unavoidable and unsustainable. Such innovations could create a pathway towards a circular economy, decoupling resource use and economic growth. Similarly, recent advancements in 3D printing promise to transform production processes by drastically altering the way in which goods are produced. This could potentially decrease waste and emissions associated with manufacturing processes.

53. Biological technology offers an array of new opportunities in health care and agriculture. It can potentially offer more efficient treatments for both neglected diseases and diseases that have been fought for decades. New gene-editing techniques allow for the manipulation of biological systems, including the human genome, which can reduce the incidence of genetic diseases. Increasing amounts of data open the possibility for personalized precision medicine, enabling highly targeted and more effective medical treatment. Biotechnology can also revolutionize agriculture by increasing crop yield with genetically modified seeds that are resistant to diseases and adverse weather conditions. It can also improve nutritional quality through the nutritional enhancement of foods.

B. Uneven innovation and diffusion of new technologies

54. The innovation and technological gaps between developed countries and the rest of the world are wide and growing. Information on shares of patent applications and research and development expenditures reveals that the development of new technology is concentrated in a few countries. China, Japan, the United States and the European Union, representing 32 per cent of the world's population in 2015, account collectively for 69 per cent of global scientific publications, 83 per cent of research and development spending and 86 per cent of triadic patent applications.[19]

55. Those gaps are even more acute in the realm of new technologies. For example, the United States alone accounted for an overwhelming 75 per cent of global patents related to artificial intelligence granted during 2016–2017.[20] In three breakthrough innovations, namely 3D printing, nanotechnology and robotics, France, Germany, Japan, the Republic of Korea, the United Kingdom of Great Britain and Northern Ireland and the United States accounted for more than 75 per cent of first patent filings worldwide during the same period.[21] Similarly, in the case of industrial robots, China, Germany, Japan, the Republic of Korea and the United States collectively accounted for about 75 per cent of total sales of robots in 2016.[22]

56. Furthermore, within developed countries, innovation is highly concentrated in a few firms. There is a growing competitiveness gap between smaller firms, which often operate only within the country, and transnational enterprises, which take advantage of economies of scale and loopholes in international regulations. It is increasingly evident that many large technology firms reduce labour and tax costs by moving jobs offshore to low-wage countries, or by threatening to do so, and shift profits through unregulated intra-firm trading of services from intangible assets (e.g. intellectual property rights, financial assets) with no determined geographical location, maximizing corporate rents and undermining fair competition.[23] The rapid pace of technological advances so far has been creating a winner-takes-all dynamic both between and within countries, with large transnational enterprises (and their owners located mostly in developed economies) accumulating rents on an unprecedented scale, driving up inequality within and among countries.

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[19] E/2018/50.

[20] Hidemichi Fujii and Shunsuke Managi, "Trends and priority shifts in artificial intelligence technology invention: a global patent analysis", Research Institute of Economy, Trade and Industry Discussion Paper Series 17-E-066 (May 2017).

[21] World Intellectual Property Organization, *World Intellectual Property Report 2015: Breakthrough Innovation and Economic Growth*, Economics and Statistics Series (Geneva, 2015).

[22] International Federation of Robotics, *World Robotics 2017: Industrial Robots — Executive Summary*.

[23] United Nations, Department of Economic and Social Affairs, "The impact of the technological revolution on labour markets and income distribution", Frontier Issues (31 July 2017).

57. Although the generation of new technologies is increasingly concentrated in a few countries and firms, the diffusion of technology continues to accelerate. While it took 75 years for the telephone to reach 100 million users, the Internet reached the same number of users in less than 10 years. Yet only a handful of key corporate players define the governance of the Internet, and they are headquartered in the two largest economies of the world: China and the United States.[24] However, the greater speed of adoption of technologies across countries masks the slower pace of diffusion within countries. Moreover, even as new technologies quickly become available in most countries, it takes longer for them to become as pervasive and widely used in developing countries as in developed countries. As a result, few people and firms have access to the latest developments in digital, physical and biological technologies, while the majority still lack access to technologies that were invented decades ago.[25]

C. Potential for leapfrogging and risks of falling further behind

58. The uneven spread of technologies poses significant challenges to achieving the Sustainable Development Goals, which will remain elusive unless the technological divide is bridged and all communities are able to access and use the technologies that they need. At the same time, many developing countries have yet to fully absorb the technologies of previous industrial revolutions and lack the conditions necessary to reap the benefits of new technologies. In particular, without the necessary infrastructure, such as electricity, or a minimum level of human capital, it is not possible to adopt new technologies. Unless vigorous efforts are made to overcome such deficiencies, opportunities for leapfrogging may remain unutilized and the technological divide may become deeper and wider.

59. Nevertheless, there are encouraging examples of leapfrogging. For instance, many people in developing countries leapfrogged to mobile phones without ever having landlines. Similarly, many of them leapfrogged to renewable solar power without ever having electricity generated from fossil fuels. Morocco, for example, started experimenting with renewable energy in 1996 and managed to increase rural electrification from 28 per cent in 1996 to 100 per cent in 2016.[26] Renewable energy technologies have widened the scope for technological leapfrogging, providing electricity through green energy sources in many developing countries.

60. Following those early examples, people in developing countries are currently switching to smartphones. For example, more than 50 per cent of the population in Chile, Lebanon, Malaysia and Turkey reported owning a smartphone in 2015 and 2016.[27] People in developing countries are also becoming regular Internet users. In many countries, they are making innovative uses of smartphones and the Internet to provide various platform-based services. Crowd-based platforms have already created new occupations and sources of income in developing countries. In addition to adopting international platforms, many developing countries have developed their own local platforms catering to local conditions, such as Go-Jek for motorbike ride sharing in Indonesia and Pathao for a similar service in Bangladesh. Another example of technological leapfrogging in developing countries is the use of drones to overcome basic infrastructure bottlenecks to deliver goods, such as medical supplies

[24] Klaus Schwab, *Shaping the Fourth Industrial Revolution* (World Economic Forum, Geneva, 11 January 2018).

[25] United Nations, Department of Economic and Social Affairs, "Unlocking the potential of knowledge and technology for all", Frontier Issues (1 April 2018).

[26] World Bank, World Development Indicators database.

[27] Lee Rainie and Andrew Perrin, "10 facts about smartphones as the iPhone turns 10", Pew Research Center, 28 June 2017.

to health clinics in remote locations, which has already been tested in Rwanda and the United Republic of Tanzania.

61. Digital finance technology, such as mobile payment systems, offers important examples in which developing countries have adopted and adapted new technologies to address local development challenges. In developing countries, mobile payment systems have been leveraged to facilitate payments, savings, credit and insurance. This has greatly increased the number of people with access to financial services in developing countries and contributed to poverty reduction. At present, using phones to make payments is more common in many developing countries than in developed countries. More than 80 per cent of people in China, India and Kenya are likely to use mobile payments, while the share is only around 30 per cent in developed countries such as France and Japan.[28]

62. The emergence of new technologies can open up opportunities for countries to catch up in terms of technological progress in many other ways. For example, computer-aided design and manufacturing have allowed some countries to participate in global value chains of increasingly complicated products. In addition, countries that are not saddled by investments and infrastructure needs related to technologies of the past can be well positioned to take advantage of many new technologies.

63. Along with providing such opportunities, new technologies can also be a source of concern for developing countries that are far behind in terms of technology and income. The full utilization of the possibilities opened up by new technologies requires a certain level of infrastructure and human capital. Countries that fail to meet those preconditions may remain at a disadvantage and see the technological and income gaps between them and developed countries widen rather than narrow. Furthermore, the increased use of robots, 3D printing and other related technologies may undercut the labour cost advantage of many developing countries and derail their path to industrialization through labour-intensive manufacturing. By triggering the reshoring of manufacturing, new technologies may constrict or shut that path, making the industrialization of developing countries more challenging.

D. Relevance of the New International Economic Order in the era of new technologies

64. The principles and ideas of the New International Economic Order can be of particular relevance for developing countries in rapidly meeting the preconditions for making use of the opportunities created by new technologies and in accessing and using new technologies to accelerate progress towards sustainable development. Without a conscious international effort following the spirit of the New International Economic Order, it may be difficult for many developing countries to achieve sustainable development. The growing domination of new technologies by a few countries and by a few firms in those countries exacerbates that challenge.

65. To compete in the increasingly complex and concentrated technological landscape, developing countries will need access to, and capacities for, different new technologies. This means that developing countries have a greater need than ever for effective channels for technology transfers and for assistance in research and development. As suggested in the New International Economic Order, this implies greater international assistance and new rules for the generation, diffusion and adoption of new technologies, reflecting shared and differentiated responsibilities among all countries.

[28] United Nations Conference on Trade and Development, "Data privacy: new global survey reveals growing internet anxiety", 16 April 2018.

66. A harmonized level of protection of intellectual property rights is needed to create a level playing field and facilitate effective technology transfer and diffusion, especially the transfer of technologies that are critical for sustainable development. However, the current intellectual property rights regime is tilted towards protecting the intellectual property rights of large corporations in developed countries. For example, existing trade agreements often include measures that restrict the introduction of technology transfer or domestic content requirements. Such restrictions hamper the ability of developing countries to implement industrial policies that are in line with their national innovation aspirations. This contributes to perpetuating the technological gap and undermining the potential of new technologies to bring broad-based development benefits to developing countries. A more development-oriented and flexible intellectual property rights regime that fosters the rapid diffusion of specific technologies will be critical for sustainable development.[29]

67. More effective international cooperation to manage advances in new technologies is also essential. Without such cooperation, stringent regulations in one country will create incentives for regulatory arbitrage, with firms relocating economic activities to jurisdictions with less stringent regulations. For example, disparate regulatory regimes in different countries can direct the testing of technologies, such as autonomous vehicles, to locations with fewer testing restrictions, thereby transferring the risks of testing to certain populations. In addition, a race to the bottom between developing countries offering less stringent regulations and tax requirements to attract investment and technology from abroad can be costly for sustainable development.

68. International cooperation to ensure that advances in new technology meet universal ethical and moral standards is also critical. Technologies such as gene editing, cloning and artificial intelligence pose existential ethical questions related to the future of humanity and the nature of human existence. Such technologies will offer the opportunity to push the current boundaries of human capabilities, performance and cognition, which may end up serving specific groups rather than the public at large and lead to even more profound inequality. Governance of such technologies must be anchored in broadly accepted values and built upon existing principles, standards and goals such as those embodied in the Charter of the United Nations, the Universal Declaration of Human Rights and the 2030 Agenda for Sustainable Development. If the benefits of these technologies are to be realized and their risks mitigated, the international community will need to work more closely together. For this reason, in July 2018 the Secretary-General launched the High-level Panel on Digital Cooperation with a mandate to strengthen cooperation in the digital space among Governments, the private sector, civil society, international organizations, academia and other relevant communities. The Panel and its coordinating secretariat will meet with representatives of these fields and produce a report in 2019 with a suite of recommendations for improved global cooperation.

VI. Role of the United Nations

69. In the Declaration on the Establishment of a New International Economic Order, Member States anticipated and advocated a greater role for the United Nations, observing that "the United Nations as a universal organization should be capable of dealing with problems of international economic cooperation in a comprehensive manner and ensuring equally the interests of all countries" (para. 6). A central role

[29] Dean Baker, Arjun Jayadev and Joseph Stiglitz, *Innovation, Intellectual Property, and Development: A Better Set of Approaches for the 21st Century*, Access IBSA: Innovation and Access to Medicines in India, Brazil and South Africa (July 2017).

was envisaged for the Economic and Social Council in the implementation of the Declaration: all organizations were asked to submit their progress reports on the implementation of the New International Economic Order to the Council, and the Council was requested to draw the attention of the General Assembly to any difficulty experienced in the implementation of the Programme of Action. Those suggestions can provide helpful pointers to the United Nations as it decides on ways to guide the process of achieving the development agenda adopted in 2015 in the current context of a new technological and industrial revolution.

70. The 2030 Agenda, the Addis Ababa Action Agenda and the Paris Agreement were all formulated under the auspices of the United Nations. To facilitate their implementation, important organizational platforms and processes were initiated, such as the high-level political forum on sustainable development and the High-level Conference on Financing for Development and the Means of Implementation of the 2030 Agenda for Sustainable Development. The implementation of the Paris Agreement also relies heavily on the organizational mechanisms created under the United Nations Framework Convention on Climate Change.

71. Given the importance of technology in achieving the development agenda, several technology-related initiatives were embedded in the above-mentioned agendas. For example, both the Addis Ababa Action Agenda and the 2030 Agenda called for a Technology Facilitation Mechanism, with three components, namely a United Nations inter-agency task team, a multi-stakeholder forum and an online platform. The Paris Agreement included a provision for the establishment of a Technology Mechanism. Earlier, the Technology Bank for the Least Developed Countries was set up pursuant to the Programme of Action for the Least Developed Countries for the Decade 2011–2020.

72. The importance of such institutional arrangements, set up under the auspices of the United Nations, has increased in the light of emerging new technologies. The United Nations must now enhance its functions with strong technical and financial support from developed countries, and its role must go beyond just facilitating the transfer of technologies to developing countries. Instead, its role must include guiding new technologies towards the Sustainable Development Goals. In particular, the new arrangements must lead the broad coalition of both State and non-State actors in setting the moral and ethical parameters within which new technologies should develop and be put to use.

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Groups of countries in special situations: follow-up to the Fourth United Nations conference on the Least Developed Countries

Implementation, effectiveness and added value of smooth transition measures and graduation support

Report of the Secretary-General

Summary

The present report is submitted pursuant to resolution 70/216, by which the General Assembly requested the Secretary-General to submit to the Assembly at its seventy-third session a progress report on the implementation, effectiveness and added value of smooth transition measures, including initiatives undertaken by the United Nations system to support countries during their graduation from the least developed country category. Further, in its resolution 72/231, the Assembly requested that both graduating and recently graduated countries be covered in the present report, as well as the ways that graduated countries can be supported in their development path.

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I. Introduction

1. The overarching goal of the Istanbul Programme of Action for the Least Developed Countries for the Decade 2011–2020 is for least developed countries to overcome their structural challenges to eradicate poverty, achieve internationally agreed development goals and enable graduation from the least developed country category. Specifically, the Programme of Action set an ambitious objective of enabling half of the 48 countries that were, at the time, in the category of least developed country to meet the criteria for graduation by 2020.

2. Recent developments with respect to graduation from the least developed country category are encouraging and indicate that national and global efforts for poverty eradication and sustainable development are bearing fruit. Graduation from the least developed country category can be seen as a milestone in the ongoing development process of the countries concerned. It is the result of many factors, including the successful implementation of various national and global strategies and partnerships.

3. The most recent triennial review of the least developed country category by the Committee for Development Policy took place in March 2018.[1] It was a historic occasion with a total of 12 least developed countries meeting the criteria. Four countries — Bhutan, Kiribati, Sao Tome and Principe and Solomon Islands — were recommended for graduation from the least developed country list, which is significant, particularly considering that over the past 47 years, only five countries have graduated and two are scheduled to graduate. In addition, Bangladesh, Lao People's Democratic Republic and Myanmar met the graduation criteria for the first time and will be considered for graduation in 2021.

4. While graduation marks an outstanding achievement that should serve as a solid foundation for further inclusive and sustainable development, as expressed in the 2030 Agenda for Sustainable Development, it also entails challenges, as the country may lose least-developed-country-specific benefits and favourable arrangements. However, the impact of the loss of such benefits depends on how effectively the country has been using the benefits before graduation. Furthermore, most graduated countries will remain vulnerable, especially to the impacts of climate change, natural disasters and other shocks and crises, which poses serious challenges to sustaining their growth and development trajectory.

5. A smooth transition strategy can be a vital tool for ensuring that graduating countries are eased into a path of sustainable graduation. This includes mapping out any potential loss of benefits, identifying effective responses and adjusting institutional and legal frameworks to comply with international obligations. While the graduated countries have the primary responsibility to continue on a path of sustainable development, strengthened global partnerships are crucial, and development partners have a critical role to play in supporting sustainable graduation and smooth transition.

6. The present report analyses developments in both graduating and recently graduated countries and how these countries can be supported on their development path. The report also tracks progress on the implementation, effectiveness and added value of smooth transition measures, which are the extension of least-developed-country-specific support for a limited time after actual graduation, including initiatives undertaken by the United Nations system to support countries during their graduation from the least developed country category.

[1] See *Official Records of the Economic and Social Council, 2018, Supplement No. 13* (E/2018/33).

II. Progress towards graduation

A. A brief history of graduation from the least developed country category

7. The category of least developed countries was officially established in 1971 by the General Assembly with a view to attracting special international support for the most vulnerable and disadvantaged members of the United Nations family. There are currently 47 countries[2] in the least developed category: 33 in Africa; 13 in Asia and the Pacific; and 1 in Latin America.

8. The Istanbul Programme of Action sets an ambitious objective of enabling half of the least developed countries to meet the criteria for graduation by 2020, making it the first global programme of action for the least developed countries to contain a chapter on graduation and smooth transition. In the political declaration of the Comprehensive High-level Midterm Review of the Implementation of the Istanbul Programme of Action,[3] held in 2016, participants recognized and welcomed the progress made towards meeting the criteria for graduation by 2020, while expressing some concern about limited graduation thus far. They also note that, based on current trends, concerted and revitalized efforts will be required. Particular attention should be given to the smooth transition of countries graduating from least developed country status, consistent with their transition strategy and taking into account each country's particular development situation.

9. As the decade 2011–2020 draws to an end, the number of least developed countries that have already met the criteria for graduation has increased significantly. To date, only five countries have graduated from the least developed country category: Botswana (1994); Cabo Verde (2007); Maldives (2011); Samoa (2014); and Equatorial Guinea (2017). Vanuatu and Angola are scheduled to graduate in 2020 and 2021 respectively. The graduation of Vanuatu has been postponed following a deferral due to the devastation caused by a tropical cyclone. Angola was also granted an additional period of two years before the start of the three-year preparatory period leading to graduation, as the country's commodity-dependent economy continued to be highly vulnerable to price fluctuations. Tuvalu was recommended for graduation by the Committee for Development Policy in 2012. However, the Economic and Social Council deferred a decision on its graduation until 2018. Kiribati met the graduation thresholds for the second time in 2015. A recommendation on the graduation of Kiribati was deferred by the Committee to the 2018 triennial review, when the Committee recommended the country for graduation, while noting its extreme vulnerability to the impacts of climate change and other environmental shocks.

10. As a growing number of least developed countries are meeting the criteria for graduation, it is important for the international community to pay increased attention to graduation and smooth transition processes, thus ensuring sustainable development and the irreversibility of graduation. This is in line with the 2030 Agenda for Sustainable Development targeting all dimensions of sustainable development with a special focus on the least developed countries under the theme of "Leaving no one behind".

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[2] Available from: https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/publication/ldc_list.pdf.

[3] Report on the Comprehensive High-level Midterm Review of the Implementation of the Istanbul Programme of Action for the Least Developed Countries for the Decade 2011–2020 (A/CONF.228/3).

B. Overview of the graduation criteria and process

11. The identification of least developed countries is based on three criteria: per capita gross national income (GNI), human assets and economic vulnerability to external shocks.[4] The latter two are measured by two indices of structural impediments, namely the human assets index and the economic vulnerability index. The same three criteria are used for determining graduation from the least developed country category:

- **Income criterion**: based on the most recent available three-year average of GNI per capita as a single indicator for the income criterion. It is expressed in United States dollars, using the World Bank Atlas method to convert national currencies;
- **Human assets index**: based on indicators of: (a) health — percentage of population undernourished; (b) health — under-five mortality rate; (c) health — maternal mortality rate; (d) education — gross secondary school enrolment ratio; and (e) adult literacy rate;
- **Economic vulnerability index**: based on indicators of (a) population size; (b) remoteness; (c) merchandise export concentration; (d) share of agriculture, hunting, forestry and fishing; (e) share of population in low-elevation coastal zones; (f) instability of exports of goods and services; (g) victims of natural disasters; and (h) instability of agricultural production.

Table 1
Graduation thresholds, 2018 triennial review[5]

Income (per capita)	*Human assets index*	*Economic vulnerability index*
GNI: $1 230 or above Income: $2 460 or above	66 or above	32 or below

12. The Committee for Development Policy is mandated to review the least developed country category on the basis of the above criteria and application procedures and to monitor the progress of graduated least developed countries. The thresholds for graduation determined by the Committee are more stringent than for inclusion.

13. To reach eligibility for graduation, a country must reach threshold levels for graduation in two consecutive triennial reviews for at least two of the aforementioned three criteria, or its GNI per capita must exceed at least twice the threshold level ($2,460 at the 2018 triennial review), and the likelihood that the level of its per capita GNI is sustainable must be deemed high.

14. After a country has become eligible for graduation for the first time, an ex ante impact assessment and a vulnerability profile are produced by the Department of Economic and Social Affairs and the United Nations Conference on Trade and Development (UNCTAD) respectively, and submitted to the Committee as input for its deliberations at the next triennial review. If the country meets the criteria for the second time, the Committee for Development Policy may recommend the country for graduation. The process is not automatic and takes into account the ex ante impact assessment, the vulnerability profile and the views of the country.

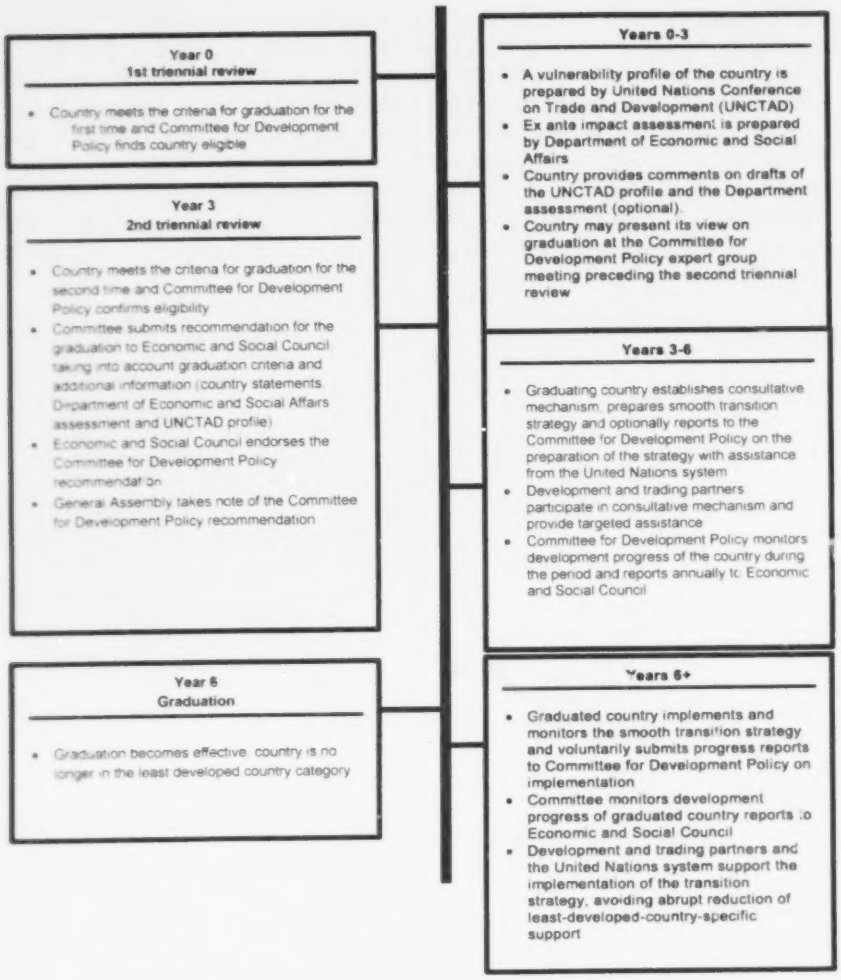
[4] For details see https://www.un.org/development/desa/dpad/least-developed-country-category/ldc-criteria.html.

[5] Ibid.

15. A country graduates from the least developed country category three years after the General Assembly takes note of the Economic and Social Council's endorsement of the recommendation of the Committee for Development Policy. However, under exceptional circumstances, the Assembly can grant the country a longer preparatory period. This applied to the past three resolutions on graduation (Angola, Equatorial Guinea and Vanuatu). In addition, the Assembly may extend the preparatory period, for example in case of major natural disasters (as in the case of Maldives, Samoa and Vanuatu). During this preparatory period, the country remains on the list of least developed countries. Smooth transition refers to the period after the effective graduation from the least developed country category and can vary in length. The strategy to be prepared for this period is aimed at ensuring that graduation does not disrupt the development progress of the country. The smooth transition strategy is prepared before graduation with the support of a consultative mechanism. However, there is no clear intergovernmental follow-up mechanism for its implementation. Figure 1 below describes the steps for graduation after a country meets the criteria for graduation for the first time.[6]

[6] See Handbook on the Least Developed Country Category: Inclusion, Graduation and Special Support Measures (United Nations publication, Sales No. E.15.II.A.1).

Figure 1
Graduation process


Year 0
1st triennial review
• Country meets the criteria for graduation for the first time and Committee for Development Policy finds country eligible
Year 3
2nd triennial review
• Country meets the criteria for graduation for the second time and Committee for Development Policy confirms eligibility
• Committee submits recommendation for the graduation to Economic and Social Council taking into account graduation criteria and additional information (country statements, Department of Economic and Social Affairs assessment and UNCTAD profile)
• Economic and Social Council endorses the Committee for Development Policy recommendation
• General Assembly takes note of the Committee for Development Policy recommendation
Year 6
Graduation
• Graduation becomes effective, country is no longer in the least developed country category
Years 0-3
• A vulnerability profile of the country is prepared by United Nations Conference on Trade and Development (UNCTAD)
• Ex ante impact assessment is prepared by Department of Economic and Social Affairs
• Country provides comments on drafts of the UNCTAD profile and the Department assessment (optional)
• Country may present its view on graduation at the Committee for Development Policy expert group meeting preceding the second triennial review
Years 3-6
• Graduating country establishes consultative mechanism, prepares smooth transition strategy and optionally reports to the Committee for Development Policy on the preparation of the strategy with assistance from the United Nations system
• Development and trading partners participate in consultative mechanism and provide targeted assistance
• Committee for Development Policy monitors development progress of the country during the period and reports annually to Economic and Social Council
Years 6+
• Graduated country implements and monitors the smooth transition strategy and voluntarily submits progress reports to Committee for Development Policy on implementation
• Committee monitors development progress of graduated country reports to Economic and Social Council
• Development and trading partners and the United Nations system support the implementation of the transition strategy, avoiding abrupt reduction of least-developed-country-specific support

C. Countries on track for graduation

16. The 2018 triennial review of the list of least developed countries was a milestone in the history of the least developed country category, with an unprecedented number of countries meeting the graduation criteria.[7]

17. The countries that met the graduation criteria for the second time in 2018 were Bhutan, Nepal, Sao Tome and Principe, Solomon Islands and Timor-Leste. Kiribati met the criteria for the third consecutive time. The Committee for Development Policy recommended Bhutan, Kiribati, Sao Tome and Principe and Solomon Islands for graduation, whereas it deferred the decision on the graduation of Nepal and Timor-

[7] See *Official Records of the Economic and Social Council, 2018, Supplement No. 13* (E/2018/33).

Leste for the next review owing to concerns about the sustainability of their development progress.

18. Bangladesh, Lao People's Democratic Republic and Myanmar fulfilled the graduation criteria for the first time in 2018, with Bangladesh and Myanmar meeting all three graduation thresholds. They will be required to meet the criteria for a second time at the next triennial review, in 2021, to become eligible for graduation, which will then likely happen in 2024.

19. In addition to the countries meeting the thresholds in 2018, an increasing number of least developed countries are approaching the graduation thresholds. For example, Lesotho and Togo both met one criteria and came close to meeting another. In 2018, 17 countries met income criteria, compared with 14 that did so in 2015. As regards the human assets index, the number of countries meeting the threshold increased from 9 to 12 from 2015 to 2018. Progress has been slower with respect to the economic vulnerability index, which is currently met by only nine countries.

20. Also in the 2018 review, five countries met the income-only criteria. Three of them were among countries with the highest scores in the economic vulnerability index, signalling that despite graduation from the least developed country category, certain vulnerabilities will remain and require continued support.

D. Charting a course towards least developed country graduation

21. Least developed country graduation must be considered in the larger context of development. It is not only about meeting the graduation thresholds, but should be based on a long-term and holistic approach towards equitable and sustainable development, with full ownership and leadership of the process by the country in question. This approach would allow countries to graduate with momentum propelling them towards a sustainable development trajectory and achievement of the Sustainable Development Goals.

22. The key to graduation with momentum is the development of productive capacities, which will lead to structural transformation and economic growth, making the economies and societies in question more resilient to exogenous shocks. In expanding productive capacities for sustainable development, the need for integrated policies across the following five broad policy areas has been highlighted: (a) development governance; (b) social policy; (c) macroeconomic and financial policies; (d) industrial and sectoral policies; and (e) international support.[8]

23. Some common elements can be identified as key accelerators for establishing strong foundations for a continued structural transformation. These include focusing on rural transformation, which remains a key priority for many least developed countries. Enhanced science, technology and innovation capacities, access to energy and use of innovative finance instruments also play a key part in building stronger foundations for least developed countries, allowing such countries to move from lower- to higher-productivity sectors and activities, absorb and adapt innovative technologies and diversify their economic structures.[9] The Technology Bank for least developed countries will provide further support to such countries in this regard.

24. In addition, information and communications technology can address critical development challenges and is an important tool to speed up graduation processes. A

[8] *Expanding Productive Capacity: Lessons Learned from Graduating Least Developed Countries* (United Nations publication, Sales No. E.18.II.C.3).

[9] United Nations Conference on Trade and Development (UNCTAD), *Least Developed Countries Report*, 2016.

total of 9 of the 12 least developed countries that are in the graduation process have been identified as "high performers" in terms of Internet access, affordability and skills.[10]

25. There is no "one size fits all" path to graduation. Some countries that recently graduated or are on track for graduation have chosen the path characterized by the development of productive capacities, structural transformation and diversification of the economic structure, as in the case of two manufactures exporters (Bangladesh and Bhutan).[11]

26. However, different pathways also exist. Several of the countries on track for graduation are services exporters, which indicates the significant role that services exports play for progress towards graduation. For example, tourism was developed, particularly by the least developed countries that are also small island developing States, but also by Nepal. Similarly, fuel extraction has been an important driver for graduation in Angola, Equatorial Guinea and Timor-Leste, and the graduations of all three are based on the income-only criterion, indicating limited progress towards human assets and reducing vulnerability through diversification.[12]

III. Preparing for graduation

27. After being recommended for graduation, a country enters a graduation preparation period, which normally takes three years. During this period, the country remains fully entitled to all benefits associated with the category and is recommended to establish a consultative mechanism to prepare a smooth transition strategy.

28. The purpose of the consultative mechanism is to bring together the main development and trading partners; to facilitate the preparation of the transition strategy and to identify the necessary actions. If requested by the graduating country, the United Nations resident coordinator and the United Nations country team should provide support to the consultative mechanism.[13] It is further recommended that other relevant consultative mechanisms operating in the country (for instance, under the auspices of the International Monetary Fund (IMF) and the World Bank) should incorporate the implications of graduation and smooth transition decisions in their activities in the country.[14]

29. The smooth transition strategy should include a set of specific and predictable measures to mitigate the potential impacts of withdrawal of least-developed-country-specific support measures. It should build on a country's specific structural challenges and vulnerabilities as well as its strengths. The smooth transition strategy plays a key role in ensuring that countries will be able to fully adapt to the changing circumstances arising from the erosion of least-developed-country-specific support and to maintain their development trajectory with a view to achieving the Sustainable Development Goals by 2030. Therefore, the potential impacts of graduation and the steps to be taken must be analysed carefully, in cooperation with the development partners.

30. These measures have proven to be helpful in countries preparing for graduation. Cabo Verde, which graduated in 2007, established a consultative mechanism called a

[10] International Telecommunication Union, *Achieving Universal and Affordable Internet in the Least Developed Countries* (Geneva, 2018). Available from: https://www.itu.int/en/ITU-D/LDCs/Pages/ICTs-for-SDGs-in-LDCs-Report.aspx.

[11] UNCTAD, *Least Developed Countries Report*, 2016.

[12] Ibid.

[13] See resolution 59/209.

[14] See resolution 67/221.

transition support group, which met regularly before and after graduation. The group consisted of government representatives and multilateral and bilateral donors.

31. Samoa graduated on 1 January 2014. Samoa started to prepare its smooth transition strategy in 2012, and it has been implemented as an integral part of the Strategy for the Development of Samoa 2012–2016 and continued in the Strategy for 2016–2020. The Strategy was developed through a consultative process involving a broad range of stakeholders. In this context, the Government continued to strengthen the coordination of external resources, and a revised aid policy was launched. Samoa is also exploring the possibility of free trade arrangements with Asian trading partners.

32. Angola, scheduled to graduate in 2021, is considering the option of using the national development plan and the Angolan "Vision" document for the follow-up on the least developed country graduation process, instead of creating a new National Consultative Committee Graduation and Sustainable Development. In 2017, the Government of Angola prepared a 10-step least developed country graduation road map to prepare the smooth transition strategy. Owing to recent political changes, the Government has yet to implement the initial steps in the preparation of the transition strategy.

33. Vanuatu, which is scheduled to graduate in 2020, has recently established a national coordinating committee for the implementation of a smooth transition strategy. In 2018, the Committee, along with its development partners, plans to formulate strategies and policy interventions to address the impacts of least developed country graduation.

34. Several development partners have indicated interest in participating in consultative mechanisms. For example, bilateral development cooperation in Germany will take into account the challenges and opportunities arising from graduation, so that support will be tailored to the country context and aligned with its transition strategy.

35. Some development partners are providing trade-related technical assistance to graduating least developed countries in support of their smooth transition strategies. For example, New Zealand began discussing the potential impact of the graduation of Samoa at an early stage. Specific trade-related support measures included assistance during the accession of Samoa to the World Trade Organization (WTO), as well as customs policy and sector support. New Zealand also supported private sector development, a priority identified by the Government of Samoa. Similarly, the document entitled "European joint programming for Lao People's Democratic Republic 2016–2020" is aligned with the country's eighth national socioeconomic development plan, which is the main transition strategy to attain least developed country graduation.

36. The impact assessments for the countries that met the graduation criteria for the second time in 2018 provide insights into the challenges these countries will face once they move out of the category. The impact assessment is prepared for each eligible country during the period between the two triennial reviews. It analyses the effects of the withdrawal of international support measures granted specifically to least developed countries. Such measures are expected to be withdrawn or phased out after graduation and any applicable smooth transition period. The international support measures from which least developed countries benefit can be divided in three categories: (a) trade related; (b) development assistance; and (c) general support.[15]

[15] The general support is discussed in further detail in section IV.

37. The termination of the trade-related support measures from which least developed countries benefit constitutes the most direct loss from graduation. However, the impact of that loss also varies by country, depending on the main trading partner, export products, trade facilitation reforms carried out and other trade agreements in place. The loss of preferential market access requires careful consideration from the graduating country, to address and mitigate possible negative impacts, for instance by diversifying the export sector.

38. For example, in Sao Tome and Principe, cocoa beans account for up to 95 per cent of exports. The export of cocoa beans would not be affected by the withdrawal of least-developed-country-specific trade preferences owing to the zero most-favoured-nation tariff applied by the country's main trading partners. However, the loss of such preferences may make it more difficult for the country to add value to cocoa production and develop other potential export products, such as fish and seafood, which could face higher tariffs in potential markets. This impact would be mitigated in the European Union if Sao Tome and Principe were to join the European Union Generalized System of Preferences Plus scheme.[16]

39. Solomon Islands faces a more mixed picture regarding the loss of least-developed-country-specific trade benefits. Its main export products are logs and timber, palm oil, gold and fish. Graduation would have no impact on the main export, logs, most of which are exported to China, where logs do not face import tariffs. The main export challenge facing Solomon Islands in coming years is therefore domestic supply rather than market access. The country can expect to maintain duty-free, quota-free access for all products to Australia and New Zealand under the Pacific Agreement on Closer Economic Relations (PACER) Plus.[17] As Sao Tome and Principe did, Solomon Islands could maintain duty-free, quota-free market access to the European Union for all existing exports and most potential exports if it were to qualify for the Generalized System of Preferences Plus scheme, which requires the beneficiary country to implement a set of core international conventions on human and labour rights, sustainable development and good governance.

40. There are other trade-related measures available for least developed countries, such as the global intellectual property system, under the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement), which grants specific waivers for least developed countries under article 66.1. This waiver has since been extended to July 2021, and to 1 January 2033 in the case of pharmaceutical products, or until such a date as they cease to be a least developed country member, whichever date is earlier.[18] No specific smooth transition measures are in place in that regard. The effects of the obligation to implement the TRIPS Agreement depends on the specific situation of each country.

41. Analysis of the impact assessments of Bhutan, Kiribati, Nepal, Sao Tome and Principe, Solomon Islands and Timor-Leste also shows that even if the majority of these countries remain highly dependent on international cooperation, no significant changes are expected in the development assistance delivered by the development partners. For example, the biggest donors to Solomon Islands, namely Australia and

[16] United Nations, Committee for Development Policy, "Ex ante impact assessment of likely consequences of graduation of Sao Tome and Principe from the least developed country category", available from: https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/CDP-PL-2018-5d.pdf.

[17] United Nations, Committee for Development Policy, "Ex ante impact assessment of likely consequences of graduation of Solomon Islands from the least developed country category", available from: https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/CDP-PL-2018-5e.pdf.

[18] Decision of the Council for Trade-Related Aspects of Intellectual Property Rights (TRIPS) of the World Trade Organization IP/C/64 (2013); World Trade Organization General Council decision WT/L/971, and decision of the Council for TRIPS IP/C/73 (2015).

New Zealand, have stated that the country's graduation would not lead to a reduction of official development assistance.

IV. Smooth transition measures

A. Existing smooth transition measures

42. In its resolutions 59/209 and 67/221, the General Assembly calls on development partners to make efforts so that their bilateral and multilateral strategies and aid programmes support the national smooth transition strategy of the country in question for some time after graduation.

43. In the ministerial declaration of the Comprehensive High-level Midterm Review of the Implementation of the Istanbul Programme of Action for the Least Developed Countries for the Decade 2011–2020, participants emphasized that a successful transition must be based on a national smooth transition strategy elaborated by each graduated country. They also encouraged development and trading partners and the United Nations system to continue their support for the implementation of transition strategies for the least developed countries, as well as for smooth transitions for graduated countries, and to avoid any abrupt reductions in either official development assistance or technical assistance provided to the graduated countries. In addition, they invited development and trading partners to consider extending to the graduated country trade preferences previously made available for least developed countries, or reducing them in a phased manner in order to avoid adverse development impact on such countries, on a bilateral basis.

44. A limited number of development partners, including the United Nations system, provide such smooth transition measures to all graduating countries in the areas of access to funds, trade preferences and travel benefits.

45. The Technology Bank for the Least Developed Countries, which was established in 2016,[19] seeks to support least developed countries in strengthening their science, technology and innovation capacities and accessing appropriate technologies. The beneficiaries of the activities of the Technology Bank are all least developed countries and countries graduating from the least developed country category by decision of the General Assembly. Graduated countries will be able to benefit for a period of five years after the date of graduation.

46. Special and differential treatment for least developed countries provided in the WTO agreements would usually end with graduation. Graduating least developed countries have the possibility to negotiate special arrangements with Members in any area in which they require additional time. To benefit from special transition periods or technical support following graduation, least developed countries must put forward the requisite proposals for consideration by the WTO membership.

47. Some preference-granting members provide graduating least developed countries with extended periods for duty-free market access. For example, the European Union has applied, since 2012, a general smooth transition measure that extends the benefits under the Everything but Arms initiative for a transitional period of three years after graduation.

48. In December 2016, the Enhanced Integrated Framework reconfirmed, through a decision by its Board, that graduated countries continue to access Framework support for a period of five years following graduation. Thus far, the Framework has supported all graduated countries except Botswana. For example, Equatorial Guinea

[19] See A/71/363.

is at the start of the Framework process and is currently undertaking a Diagnostic Trade Integration Study.

49. As part of its Strategic Framework 2018–2021, the United Nations Capital Development Fund has articulated its new smooth transition support. The approach is demand-driven and time-bound and aims at ensuring that existing programmes can be completed. During the first three years after graduation, programmes will be funded as they were prior to graduation, with the possibility of extension for an additional two years, which would involve cost sharing.

50. The United Nations Framework Convention on Climate Change has launched a process to examine the support and flexibility provided to the least developed countries under the Convention and the Paris Agreement and on how the provisions can assist least developed countries in making a smooth transition from least developed country status, in the light of resolution 67/221.[20]

51. In 2011, the General Assembly, in its resolution 65/286, decided to extend the benefit of travel support to attend Assembly sessions, if requested, within existing resources, to graduated least developed countries for a period appropriate to the development situation of the country and for a maximum of three years. In addition, some United Nations agencies provide an extension of travel benefits after graduation, but this is usually subject to availability of funding, as in the case of International Telecommunication Union fellowships to attend meetings.

52. In its resolution 67/221, the General Assembly invites development partners to take into account the least developed country criteria for aid allocation, avoiding abrupt changes. The European Union has done this to some extent, but overall, the implementation of this provision has been limited.

B. United Nations system support towards the graduation process

53. In its resolutions 68/224 and 69/231, the General Assembly requested all relevant organizations of the United Nations system, led by the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, to extend the necessary support to least developed countries that aspired to graduate in the elaboration of their graduation and smooth transition strategy. United Nations system entities provided support to all graduating and graduated countries in the form of workshops for various countries to exchange experiences and targeted missions to specific countries. For instance, a joint mission to Angola was undertaken by several United Nations agencies in 2016 to support the preparation of a smooth transition strategy.

54. The Office of the High Representative, jointly with the Government of Bangladesh, organized a meeting on the theme "Achieving sustainable graduation", held in 2017 in Dhaka. Meeting participants assessed the potential impacts of graduation, necessary preparations to fully adapt to the changing circumstances arising from the erosion of least-developed-country-specific support and how to accelerate the momentum of graduation to maintain the development trajectory of the country with a view to achieving the Sustainable Development Goals by 2030. The outcome of the meeting is reflected in the co-chair's summary.[21]

55. The Economic and Social Commission for Asia and the Pacific co-organized, with the Government of Bhutan, a regional capacity-building workshop on the theme

[20] See FCCC/SBI/2017/19.

[21] Available from: http://unohrlls.org/custom-content/uploads/2017/12/Co-chairs-summary_13Dec.pdf.

"Formulating national policies and strategies in preparation for graduation from the least developed country category", held in Thimphu in November 2017.

56. At the end of 2017, the Office of the High Representative established an inter-agency task force on graduation and smooth transition with the objective of providing strengthened and coordinated United Nations system-wide support to the countries graduating from the least developed country category. The task force meets on a regular basis to provide concrete support in that area.

57. The secretariat of the Committee for Development Policy has developed a web-based platform, known as Gradjet, which provides information and analysis on graduation as well as tailored analysis and background information on activities that graduating governments might wish to undertake before, during and after graduation.

58. The Committee for Development Policy also monitors the development progress of countries that have graduated, in consultation with the governments of those countries. Monitoring occurs on a yearly basis for a period of three years after graduation becomes effective, and triennially thereafter, as a complement to two triennial reviews of the least developed country category.[22] However, the reports prepared by the graduated countries are not discussed by the international community.

59. The Nairobi Maafikiano of 2016 calls on UNCTAD to assist least developed countries to make progress towards and prepare for graduation from the least developed country category, including strategies for facilitating a smooth transition, a clear understanding of the post-graduation environment and challenges and of the need to build productive capacities and promote the structural transformation necessary for sustainable graduation.

60. Overall, smooth transition measures provided to all graduated countries are limited in scope, and there are clear indications that more support for smooth transition is needed to alleviate the concerns of countries recommended for graduation. As smooth transition support is mainly based on negotiations between the graduating country and its development partners, it depends on the negotiating skills of the graduating country.

61. Not all graduating and graduated countries have established a consultative mechanism and/or developed a smooth transition strategy. Furthermore, smooth transition measures are a continuation of international support measures for a limited period of time, but are not designed to address the possible new challenges of graduated countries. Thus, both more comprehensive smooth transition measures and additional support after graduation are needed.

V. General support that can be accessed after graduation

A. Development and climate finance

62. After graduation, countries will continue to have access to external support, but its forms and modalities may vary. Most development partners indicate that least developed country status is not a main criterion for official development assistance allocation, and thus such assistance to graduated countries is not expected to change because of graduation. However, some donors might switch from grants to concessional loans or increase interest rates for concessional loans.

63. Not all international organizations and financing institutions use the least developed country category and criteria for aid and credit allocation. For example,

[22] See resolution 67/221.

eligibility for allocations by the International Development Association of the World Bank' depend on a country's relative poverty, defined as GNI per capita below an established threshold and updated annually ($1,165 in fiscal year 2018) and the absence of creditworthiness. International Development Association graduation becomes effective only every 3 years, in line with Association cycles, after an examination of the country-specific situation. The Association also supports several small island economies that are above the operational cut-off, owing to its small state exception. As of May 2018, all least developed countries, with the exception of Angola, were eligible to receive Association resources (including blend countries).[23] Of the five least developed countries graduated thus far, only two (Botswana and Equatorial Guinea) are also Association graduates.

64. Access to climate change finance is especially important for graduated countries, as they often remain highly vulnerable to the effects of climate change. While access to the Least Developed Countries Fund under the Global Environment Facility will be discontinued with graduation, access to the Green Climate Fund will continue. The Green Climate Fund Board uses minimum allocation floors for least developed countries, small island developing States and African States. At its 6th meeting, the Board decided to aim for a floor of 50 per cent of the adaptation allocation for these vulnerable countries. Thus, after graduation, small island developing States and/or African least developed countries will retain their access to the Green Climate Fund, which is expected to be the largest dedicated climate fund. For example, Samoa received a $58 million grant from the Green Climate Fund for a flood management and control project in 2016.

B. Trade-related support

65. After a country graduates from the least developed country category — and in many cases after a smooth transition period — it generally retains access to standard Generalized System of Preferences programmes in developed countries, in addition to other preferential terms resulting from bilateral or regional agreements, as described below. Furthermore, some key exports of least developed country (such as oil and minerals) face zero most-favoured-nation tariffs in major markets and will therefore not be affected by graduation.

66. With respect to access to the European Union market, following the transitional period of three years after graduation, the countries would no longer benefit from the Everything but Arms arrangement. They would come under the standard Generalized System of Preferences arrangement unless a more advantageous preferential market access arrangement were to be concluded. Graduated least developed countries that have ratified and effectively implement the 27 conventions relevant to the Generalized System of Preferences, which span the issues of human and labour rights, environmental protection and good governance, are eligible for the Generalized System of Preferences Plus, which provides more generous tariff preferences than under the standard System.[24] Graduated countries that are part of the African, Caribbean and Pacific Group of States and have signed economic partnership agreements with the European Union can maintain duty-free, quota-free market access.

67. Pacific islands previously had duty-free, quota-free access to Australia and New Zealand through the South Pacific Regional Trade and Economic Cooperation

[23] See the list, available from: http://ida.worldbank.org/about/borrowing-countries.

[24] Countries that are classified by the World Bank as upper-middle-income countries for three consecutive years are neither eligible for the Generalized System of Preferences nor the System Plus once they lose their least developed country status and Everything but Arms preferences.

Agreement, irrespective of their least developed country status. The Pacific Agreement on Closer Economic Relations (PACER) Plus, a reciprocal arrangement which has yet to enter into force, maintains this market access but obliges Pacific island members to reduce import tariffs over time and to liberalize incoming services trade and investment, in addition to Aid for Trade provisions.

68. Several African countries continue to benefit from preferential access to the United States market through the African Growth and Opportunity Act, which is not linked to least developed country status, including Angola, Cabo Verde and Sao Tome and Principe.

69. While such general market access is likely to provide some benefits for graduated countries, making use of more general preferential schemes (under the Generalized System of Preferences) relies greatly upon the ability of graduated least developed countries to compete with other developing countries, which is often constrained by their limited institutional, human and productive capacities.

70. It is therefore necessary to help graduating least developed countries adjust to the competitive international trading environment. Phasing out least developed country preferences in a gradual manner and extending the existing special and differential treatment provisions available to least developed countries for an appropriate period are some of the calls made by the international community to help the graduating least developed countries integrate into global trade.

71. As more and more least developed countries meet the criteria for graduation, graduation issues are likely to receive more attention in WTO. The least developed country group recently made a submission in which it seeks WTO members to permit graduated least developed countries to continue to provide export subsidies for industrial products under the Agreement on Subsidies and Countervailing Measures.[25] In addition, the trade ministers of least developed countries, in their declaration adopted during the WTO ministerial conference held in December in 2017, requested trading partners to take positive actions for least developed country graduation and identified some measures for consideration by WTO members.[26]

VI. The experience of graduated countries

72. With respect to the graduation criteria, the five graduated countries[27] mostly continued their trajectories towards higher GNI per capita, higher human assets and lower economic vulnerability (see figure 2).[28]

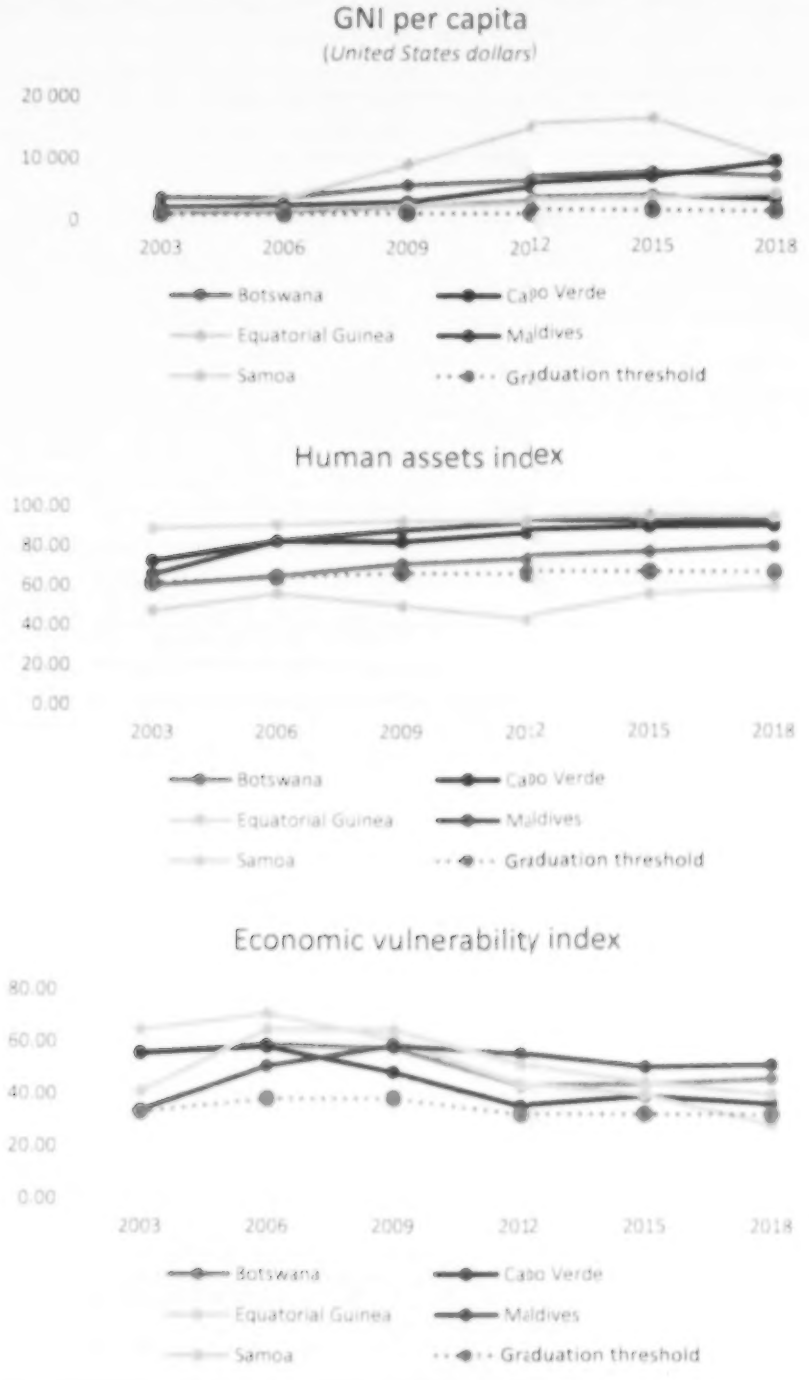
[25] World Trade Organization (WTO), "Communication from the Mission of the Central African Republic on behalf of the LDC group with regard to measures to allow graduated LDCs, with GNP below $1000, benefits pursuant to annex VII(B) of the Agreement on Subsidies and Countervailing Measures" (WTO document WT/GC/W/742).

[26] WTO, "LDC Trade Ministers' Meeting, Buenos Aires, Argentina, 9 December 2017, LDC Ministerial Declaration" (WTO document WT/MIN(17)/40).

[27] As Equatorial Guinea graduated only in June 2017, there is no data available for that country for the period after graduation, and it is therefore not covered in the following analysis.

[28] See https://www.un.org/development/desa/dpad/least-developed-country-category/ldc-data-retrieval.html.

Figure 2
Least developed country criteria in graduated countries, 2003–2018



Source: Committee for Development Policy website.

73. When Botswana graduated in 1994, there were no procedures in place towards support for graduation or smooth transition. Even with relatively high GNI per capita and human assets index values, Botswana remains vulnerable, with an economic vulnerability index above the graduation threshold, owing to its small population, remoteness and export concentration. The share of exports in gross domestic product (GDP) increased from 48 per cent in 1994 to 61 per cent in 1997 and remained close to or above 50 per cent until 2008. Official development assistance to Botswana stayed relatively flat after graduation and fluctuated heavily after 2000.

74. Cabo Verde, which graduated in 2007, also continued its development progress. Its GNI per capita continued to increase and its high human assets index score is close to the maximum, while its economic vulnerability index score remains still slightly above the graduation threshold in 2018, mainly driven by the small population. Official development assistance to Cabo Verde increased significantly between 2007 and 2010, followed by a decline, from 2011 to 2016, to pre-2007 levels. The share of exports in GDP declined from 45 per cent in 2006 to 31 per cent in 2009, but thereafter increased to approximately 40 per cent from 2012 to 2014. The share of foreign direct investment in GDP began to increase after 1994, but fluctuated widely. The stock of external debt of Cabo Verde started to increase in 2009 (44 per cent) and reached 100 per cent of GNI in 2015. Cabo Verde has been classified as being at high risk of debt distress by the IMF and World Bank. Thus, Cabo Verde is currently facing some difficulties related to access to financing for development.

75. The Committee for Development Policy first recommended graduation of Maldives in 2000, and the General Assembly took note of its graduation in 2004. In 2006 the Assembly decided to defer its graduation to 2011, owing to a tsunami. Afterwards, GNI per capita continued to increase after graduation, reaching more than seven times the graduation threshold in 2018. However, the economic vulnerability index remained well above the graduation threshold, reflecting the structural challenges of the country's small size, remoteness and high exposure to climate change. Overall, development progress in Maldives seems not to have been affected by graduation.

76. Official development assistance to Maldives remained in the same range as before graduation and even slightly increased since 2013. However, its composition changed, with a higher share from donors not members of the Development Assistance Committee of the Organization for Economic Cooperation and Development, including China, India and Saudi Arabia. The share of exports in GDP remained stable, at approximately 86–90 per cent from 2012 to 2014 (when access to Everything but Arms ended) and afterwards declined to approximately 80 per cent. At the end of 2017, Maldives signed a free trade agreement with China. The share of foreign direct investment in GDP in Maldives spiked in 2011 and remained above the average before graduation thereafter. Thus, Maldives access to financing for development seems not to have been significantly affected by graduation. However, the country is rated as being at high risk of debt distress.

77. Samoa graduated on 1 January 2014, after the General Assembly decided to postpone its graduation, which was originally foreseen for December 2010, owing to a tsunami that hit the country in 2009. Its GNI per capita and human assets index values continued to increase after graduation. The economic vulnerability index score declined slightly after graduation, but remains well above the graduation threshold.

78. Official development assistance to Samoa increased significantly in 2010 and remained at a higher level after graduation. The share of exports in GDP continued to remain stable after graduation, but at a low level of below 30 per cent. This might be partially due to the fact that several key export products, such as coconut oil, can be exported to the European Union at zero per cent tariff rates under the Generalized

System of Preferences. However, the share of debt servicing in total exports increased from 6 per cent in 2013 to 9.4 per cent in 2015, and remained high, implying a high risk of debt distress.

79. From the experiences of the graduated countries, it can be concluded that their development progress has continued, mainly with respect to GNI per capita and the human assets index. However, they remain highly vulnerable, as indicated by their economic vulnerability index scores above the graduation threshold. While the graduated countries continued to have access to external support, including official development assistance, there have been changes in modalities. For example, increasing loans from multilateral financial institutions and emerging bilateral donors have the potential to increase the level of external debt. The three small island developing States in the group are rated as being at high risk of debt distress.

80. While the development progress of graduated countries has continued, supported by development partners, there remains uncertainty with respect to the effects of graduation, indicating that more country-specific analysis and support is needed.

VII. Dedicated support for graduation

81. As graduation from the least developed country category marks the achievement of an important milestone, the graduated countries should not be penalized for their progress. At the regional level, the Economic and Social Commission for Asia and the Pacific recognized, at its seventy-fourth session, that the graduation process of least developed countries should be coupled with an appropriate package of incentives and support measures in order not to jeopardize their development progress. Therefore, specific support should be provided by the international community, in line with the priorities of the graduating country. This may include technical assistance and policy advice to support the implementation of the smooth transition strategies to ensure continued economic diversification and structural transformation, to address post-graduation challenges and to support progress towards achieving the Sustainable Development Goals. These new and dedicated support measures would be additional and complementary to the smooth transition measures. Such support would send a strong signal to least developed countries that graduation is an accomplishment and the international community stands ready to support the transition to the next level of development.

82. While specific support should be tailored to the needs of the graduating country, the following measures could be components of a dedicated support package:

(a) More in-depth analysis of the potential impacts of graduation and identification of additional support is required to address the challenges of graduation. The preparation of early impact assessments soon after a country is found eligible for graduation for the first time (instead of just before the subsequent triennial review by the Committee for Development Policy) could be a first step in this respect, but additional analysis might be needed to address the challenges of transitioning to the next stage of development;

(b) Capacity-building can enhance access to new sources of financing, including blended financing of domestic and international resources. There is evidence that least developed countries and graduated countries face challenges in accessing specific funds available to them, for example climate change finance. This could include centralized information on available sources of concessional finance and dedicated support for the preparation of bankable projects in priority sectors.

Various funding sources, including the private sector and funds allocated by countries under South-South and triangular cooperation, could be covered;

(c) As the availability of grants is expected to decline for graduated countries, there is a need to increase access to other means of financing, including private finance, green bond financing and GDP-indexed bonds. Credit ratings and risk management measures, including through the Multilateral Investment Guarantee Agency, could be helpful in this respect. The awareness of credit rating and other relevant agencies about countries' graduation from the least developed countries category must be raised, in order to reflect the progress achieved. In addition, the debt sustainability of graduated countries must be addressed, for example through the use of debt swaps, as several graduated countries are at high risk of debt distress;

(d) Graduating countries also need specific support to reap the potential benefits of trade. This could include capacity-building for exporters to navigate different types of market access and for government officials to negotiate trade agreements to enable countries to tap into new markets. In addition, legal and technical assistance could be provided to access non-least-developed-country-specific trade preferences, such as the European Union's Generalized System of Preferences Plus;

(e) Bringing together various stakeholders, including development and trading partners and the private sector, would provide a platform for countries about to graduate to showcase progress and investment opportunities, for example an improved business environment and increased institutional capacity. That platform could be used to attract various sources of finance, including foreign direct investment;

(f) Support to graduating countries in costing, funding and monitoring the implementation of the Sustainable Development Goals, covering all 17 Goals, should be provided, with particular attention to social development issues that have a huge impact on a sustainable graduation;

(g) Enhanced technical assistance to least developed countries to build and strengthen their intellectual property rights systems would enable them to comply with obligations related to intellectual property after graduation. The implementation of the intellectual property regime should be an integral part of the national smooth transition strategy, taking into account national circumstances, and assistance in this regard should be extended to the graduating country at an early stage.

VIII. Conclusions

83. Never before have so many countries been identified for graduation at a single triennial review of the Committee for Development Policy as in 2018. The increased number of countries crossing the graduation thresholds reflects the considerable socioeconomic progress achieved. However, to meet the target set out in the Istanbul Programme of Action, graduation must further accelerate, and continued and revitalized efforts will therefore be required. Least developed countries require continued dedicated international support, as agreed in the Programme of Action, to accelerate the implementation of all its priority areas and achieve the Sustainable Development Goals. In addition to increasing official development assistance, the use of trade preferences should be enhanced through the reduction of non-tariff barriers, including more flexible rules of origin.

84. Graduation from the least developed country category is not a mechanical process. The ex ante impact assessment prepared by the Department of Economic and Social Affairs, the vulnerability profile prepared by UNCTAD and the views of the

country are all taken into account when the Committee for Development Policy considers whether to recommend the country for graduation. Countries recommended for graduation should build on the progress achieved, using new opportunities from transitioning to the next phase of development.

85. However, graduated countries continue to face various challenges due to vulnerabilities to various crisis and shocks. It is important to ensure that exiting from the least developed country category does not disrupt the development of the graduating country. To ensure sustainable and irreversible graduation, particular attention should be given to the smooth transition of countries graduating from least developed country status, consistent with their transition strategy and taking into account each country's particular development situation. Development partners have a key role to play in providing capacity-building to support graduating countries' efforts to adjust to post-graduation realities.

86. While the provisions contained in General Assembly resolution 67/221 have offered a solid basis for a more predictable graduation and smooth transition, there has not been significant progress in its implementation since 2015.[29] Against the increase in numbers of least developed countries reaching the graduation thresholds, and taking into account their continued vulnerabilities, more smooth transition measures must be provided in a predictable manner.

87. Graduation and smooth transition strategies should be integrated into national development and donors' aid strategies. The cycle of preparation of such strategies must be taken into account at an early stage in the graduation process. Countries that are found eligible for graduation are recommended to establish a consultative mechanism to prepare their transition strategy as early as possible, engaging all relevant donors and stakeholders. The strategy should be sufficiently flexible to adjust to the new challenges that may arise during the process, as well as to ensure policy coherence. It should be based on a careful analysis of how the loss of least-developed-country-specific international support measures will have an impact on the country's economy and pave the way for sustainable graduation.

88. Development partners should apply the least developed country criteria, namely, GNI per capita, the human assets index and the economic vulnerability index, to their process of aid allocation, including after graduation. Doing so would constitute built-in smooth transitions and ensure that the allocation of official development assistance is more stable and predictable.

89. United Nations entities that have committed to allocating a certain percentage of their resources to least developed countries must consider the extension of such support to graduated countries and gradual phasing-out in a predictable manner for a fixed time period and applied in accordance with the specific development situation of each graduating country. The United Nations development system must also extend the necessary support to a graduating country in the preparation of its smooth transition strategy, as well as during its implementation and follow-up.

90. Efforts should be made to ensure that the recent General Assembly resolution on the repositioning of the United Nations development system further supports the smooth transition process, by ensuring the following: that the revitalized United Nations Development Assistance Framework fully takes this into account; that the resident coordinator, in their reinvigorated role, plays the facilitator part intended by Assembly resolutions; and that the United Nations country team's composition and efforts are oriented towards supporting the graduation process.

[29] In 2015, the most recent report of the Secretary-General on implementation, effectiveness and added value of smooth transition measures (A/70/292) was prepared.

91. In order to enhance the effectiveness of smooth transition measures, the monitoring of and follow-up to these measures must be further strengthened. Member States may consider undertaking intergovernmental follow-up and monitoring of the implementation of smooth transition strategies for graduated countries under the auspices of the Economic and Social Council for a certain period of time after graduation.

92. Integrated, institutionalized and predictable financial and technical assistance for graduated countries should compensate for the phasing out of least-developed-country-specific support. This could include support for increasing domestic resource mobilization, the strengthening of domestic capital markets, the diversifying of exports and the building of capacity to enhance resilience to external shocks and natural disasters.

93. The inter-agency task force on graduation and the Committee for Development Policy and other actors should continue to work on identifying dedicated support to address the specific challenges of transitioning from one phase of development towards the next through graduation.

94. Finally, the strengthening of support towards graduation and beyond must be reflected in the next programme of action for the least developed countries in order to further accelerate progress and ensure that all such countries take dedicated steps towards approaching the graduation criteria.